
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 29, 2019

ALJ Regional Holdings, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37689
(Commission File Number)

13-4082185
(IRS Employer
Identification No.)

244 Madison Avenue, PMB #358
New York, NY
(Address of Principal Executive Offices)

10016
(Zip Code)

Registrant's Telephone Number, Including Area Code: (888) 486-7775
(Former Name or Former Address, if Changed Since Last Report)

Title of class of registered securities Common Stock, par
value \$0.01 per share

Ticker Symbol
ALJJ

Name of exchange on which registered
NASDAQ

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01. Entry into a Material Definitive Agreement.

Financing Agreement Amendment

On July 31, 2019, ALJ Regional Holdings, Inc. (the “Company”) entered into the Fifth Amendment (the “Fifth Amendment”) to the Financing Agreement, dated as of August 14, 2015 (as amended and restated from time to time, the “Financing Agreement”), by and among the Company, Faneuil, Inc. (“Faneuil”), Floors-N-More, LLC (“Carpets”), Phoenix Color Corp. (“Phoenix”), each subsidiary of the Company listed as a “Guarantor” on the signature pages thereto, the lenders from time to time party thereto, Cerberus Business Finance, LLC, as collateral agent for the lenders (the “Collateral Agent”), and PNC Bank, National Association, as administrative agent for the lenders (the “Administrative Agent”). The Fifth Amendment was entered into by the Company to amend certain terms and covenants in order to support the continued growth of the Company and to allow Faneuil to consummate the Acquisition (as defined below).

The amended terms and covenants under the Fifth Amendment include, among other amendments:

- (i) a creation of a seasonal revolver facility with \$7.5 million in availability;
- (ii) an increase in the size of the capital expenditure basket allocated for the buildout of three new customer call centers at Faneuil from \$15.0 million to \$18.5 million;
- (iii) an increase in the leverage ratio threshold from 3.50:1.00 to 3.75:1.00 for the fiscal quarters ended September 30, 2019 and December 31, 2019; and
- (iv) updates to certain definitions, representations and warranties to allow for the acquisition of all of the outstanding membership interests of Realtime Digital Innovations, LLC (“RDI”), a provider of workflow automation and business intelligence services business (the “Acquisition”).

The foregoing description of the Fifth Amendment is only a summary, does not purport to be complete, and is qualified in its entirety by reference to the full text of the Fifth Amendment, which is filed as Exhibit 10.1 hereto, the Fourth Amendment to the Financing Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, previously filed with the Securities and Exchange Commission (the “Commission”) on November 30, 2018, the Third Amendment to the Financing Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, previously filed with the Commission on October 2, 2017, the Second Amendment to the Financing Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, previously filed with the Commission on May 30, 2017, the First Amendment to the Financing Agreement, which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, previously filed with the Commission on July 20, 2016, and the Financing Agreement, which was filed as Exhibit 10.1 to the Company’s Registration Statement on Form 10-12B/A, previously filed with the Commission on March 28, 2016.

Entry into Executive Employment Agreement with Jess Ravich

On July 29, 2019, the Company entered into an Employment Agreement (the “Employment Agreement”) with Jess Ravich. Prior to entering into the Employment Agreement, Mr. Ravich served as the Company’s Executive Chairman. Pursuant to the Employment Agreement, Mr. Ravich will assume full-time responsibilities as the Company’s Chief Executive Officer until September 30, 2020 (the “Initial Term”), subject to subsequent automatic two-year renewals. Mr. Ravich will continue to serve as the Company’s Chairman of the Board.

Additional material terms of the Employment Agreement include:

- (i) Mr. Ravich’s base salary is \$225,000 per year, of which up to \$150,000 per year may be paid at the Company’s discretion through the issuance of the Company’s stock;
 - (ii) A stipend of \$117,000 during the Initial Term for Mr. Ravich’s use in connection with out of policy business expenses;
 - (iii) the incentive bonus structure includes (a) an annual bonus in the amount of 10% of the difference between (1) the Company’s pre-bonus consolidated EBITDA less actual cash interest paid during the trailing twelve month measurement period and (2) a bonus threshold of \$22,000,000, subject to adjustment from time to time, and (b) a one-time realization bonus for any sale of a business of the
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- Company in an amount equal to: (1) for a sale of Faneuil, 2.5% of the first \$25,000,000 of profit from such sale, less growth capital expenditures (“Profit”), and 5% of any Profit in excess of \$25,000,000; (2) for a sale of any other subsidiary, 5% of the Profit ;
- (iv) a standstill provision, pursuant to which (a) Mr. Ravich, without the approval of a majority of the independent directors of the Board, shall not acquire additional shares that will result in more than 45% of the outstanding stock of the Company to be held by Mr. Ravich and his affiliates, and (b) any stock held by Mr. Ravich or any of his affiliates in excess of 40% of the outstanding stock of the Company shall be subject to a voting agreement to be entered into, pursuant to which such shares will be automatically voted with the majority of all other outstanding stock of the Company; and
 - (v) a clawback provision in the event of (a) a material restatement, revision or change to the Company’s financial statements requiring a recalculation of EBITDA for any particular fiscal year of the Company or (b) a breach by Mr. Ravich of his fiduciary obligation owed to the Company or commission by Mr. Ravich of an act of fraud, embezzlement, disloyalty or defalcation, or usurpation of a Company opportunity.

The foregoing descriptions of the Employment Agreement are qualified in their entirety by the text of the Employment Agreement, a copy of which is attached as Exhibit 10.2 hereto.

Common Stock Purchase Agreement

On July 30, 2019, in connection with the Acquisition, the Company entered into a Common Stock Purchase Agreement (the “SPA”) with the Purchasers (as defined therein), pursuant to which the Company raised \$7.0 million through the sale of 3.9 million shares of its common stock at \$1.80 per share to the Purchasers. The \$1.80 price per share of common stock represents roughly a 10% premium to the trailing 30-day average closing price of the Company’s common stock on NASDAQ. Pursuant to and subject to the conditions set forth in the SPA, the Purchasers also received certain warrants to purchase an aggregate of 1.3 million shares of common stock at \$1.80 per share with a two-year term. The SPA also contains customary representations, warranties and covenants, by, among and for the benefits of the parties.

The foregoing description of the SPA is only a summary, does not purport to be complete, and is qualified in its entirety by reference to the full text of the SPA, which is filed as Exhibit 10.4 hereto.

Registration Rights Agreement

On July 30, 2019, the Company entered into a Registration Rights Agreement (the “RRA”) with the Purchasers, which obligates the Company to effect a registration statement (“Shelf Registration Statement”) pursuant to Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”), covering all shares of the Company’s common stock issued to the Purchasers and issuable upon any exercise of warrants held by the Purchasers (“Registrable Securities”). Pursuant to and subject to the conditions set forth in the RRA, the Company must (i) file the Shelf Registration Statement at the request of any holder of at least 250,000 Registrable Securities at any time after the date of the RRA, (ii) use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act, and (iii) use its reasonable best efforts to keep the Shelf Registration Statement continuously effective under the Securities Act until all Registrable Securities have been sold but not to exceed 180 days.

The foregoing description of the RRA is only a summary, does not purport to be complete, and is qualified in its entirety by reference to the full text of the RRA, which is filed as Exhibit 10.5 hereto.

Membership Interest Purchase Agreement

On July 31, 2019, Faneuil acquired 100% of the membership interests of RDI, a limited liability company organized under the laws of the State of Illinois, pursuant to the terms of a Membership Interest Purchase Agreement (the “MIPA”), by and among Faneuil, Gregg L. Antenen, Richard A. Veed and Sean P. Murphy (collectively the “Sellers”). RDI is engaged in the business of providing workflow automation and business intelligence services.

The aggregate consideration for the Acquisition paid at closing was \$ 2.5 million, with earn-outs in an amount up to \$7.5 million to be paid upon the achievement of certain financial metrics over a three-year period, subject to a guaranteed payout of \$2.5 million. Faneuil plans on consolidating the RDI business under Faneuil 's corporate umbrella.

The parties to the MIPA have made customary representations, warranties and covenants therein. The assertions embodied in those representations and warranties were made for purposes of the MIPA and are subject to qualifications and limitations agreed by the respective parties in connection with negotiating the terms of the MIPA. In addition, certain representations and warranties made as of a specified date may be subject to a contractual standard of materiality different from what might be viewed as material to stockholders, or may have been used for the purpose of allocating risk between the respective parties rather than establishing matters as facts. For the foregoing reasons, no person should rely on the representations and warranties as statements of factual information at the time they were made or otherwise.

The foregoing descriptions of the MIPA are qualified in their entirety by the text of the MIPA, a copy of which is attached as Exhibit 10.3 hereto.

ITEM 2.01. Completion of Acquisition or Disposition of Assets.

To the extent required by Item 2.01 of Form 8-K, the information contained or incorporated by reference in Item 1.01 of this Current Report regarding the MIPA is incorporated by reference in this Item 2.01.

ITEM 2.02. Results of Operations and Financial Condition.

On July 31, 2019, the Company issued a press release announcing revised guidance for the full fiscal year ending September 30, 2019. The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

To the extent required by Item 2.03 of Form 8-K, the information contained or incorporated by reference in Item 1.01 of this Current Report regarding the Fifth Amendment is incorporated by reference in this Item 2.03.

ITEM 3.02. Unregistered Sales of Equity Securities.

To the extent required by Item 3.02 of Form 8-K, the information contained or incorporated by reference in Item 1.01 of this Current Report regarding the SPA is incorporated by reference in this Item 3.02.

The Company plans on using the net proceeds of the private placement to pay the closing consideration for the Acquisition and to repay certain indebtedness under its Cerberus financing facility. The issuance by the Company of its common stock and the warrants was consummated as a private placement to "accredited investors" (as that term is defined under Rule 501 of Regulation D), exempt from registration under the Securities Act, in reliance upon Section 4(a)(2) of the Securities Act and Regulation D Rule 506, as a transaction by an issuer not involving a public offering.

ITEM 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

To the extent required by Item 5.02 of Form 8-K, the information contained or incorporated by reference in Item 1.01 of this Current Report regarding the Employment Agreement is incorporated by reference in this Item 5.02.

ITEM 7.01 Regulation FD Material.

On July 31, 2019, the Company issued a press release announcing revised guidance for the full fiscal year ending September 30, 2019 , a copy of which is attached as Exhibit 99.1 hereto and incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT NO.	DESCRIPTION
10.1	Fifth Amendment to Financing Agreement, dated as of July 31, 2019, by and among the Company, Faneuil, Carpets, Phoenix, each subsidiary of the Company listed as a "Guarantor" on the signature pages thereto, the lenders from time to time party thereto, the Collateral Agent, and the Administrative Agent
10.2	Employment Agreement, dated July 29, 2019, by and between the Company and Jess Ravich
10.3	Membership Interest Purchase Agreement, dated July 31, 2019, by and among Faneuil, Gregg L. Antenen, Richard A. Veed and Sean P. Murphy
10.4	Common Stock Purchase Agreement, dated July 30, 2019, by and among the Company and the purchasers party thereto
10.5	Registration Rights Agreement, dated July 30, 2019, by and among the Company and the purchasers party thereto
99.1	Press Release dated July 31, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

ALJ Regional Holdings, Inc.

July 31, 2019

By: /s/ Brian Hartman
Brian Hartman
Chief Financial Officer
(Principal Financial Officer)

**FIFTH AMENDMENT
TO FINANCING AGREEMENT**

FIFTH AMENDMENT, dated as of July 31, 2019 (this "Amendment"), to the Financing Agreement, dated as of August 14, 2015, as amended, restated, supplemented or otherwise modified from time to time (as so amended, the "Financing Agreement"), by and among ALJ Regional Holdings, Inc., a Delaware corporation (the "Parent"), Faneuil, Inc., a Delaware corporation ("Faneuil"), Floors-N-More, LLC, a Nevada limited liability company ("FNM"), Phoenix Color Corp., a Delaware corporation ("PCC"), and together with the Parent, Faneuil, FNM and each other Person that executes a joinder agreement and becomes a "Borrower" thereunder, each a "Borrower" and collectively, the "Borrowers"), each subsidiary of the Parent listed as a "Guarantor" on the signature pages thereto (together with each other Person that executes a joinder agreement and becomes a "Guarantor" thereunder or otherwise guaranties all or any part of the Obligations (as hereinafter defined), each a "Guarantor" and collectively, the "Guarantors"), the lenders from time to time party thereto (each a "Lender" and collectively, the "Lenders"), Cerberus Business Finance, LLC, a Delaware limited liability company ("CBF"), as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and PNC Bank, National Association ("PNC"), as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent" and together with the Collateral Agent, each an "Agent" and collectively, the "Agents").

WHEREAS, the Borrowers, the Guarantors, the Agents and the Lenders wish to amend certain terms and provisions of the Financing Agreement as hereafter set forth.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Financing Agreement and not otherwise defined herein shall have the meanings assigned to them in the Financing Agreement.
 2. Amendments. The Financing Agreement is hereby amended to (i) delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~); (ii) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Financing Agreement attached as Annex I hereto and made a part hereof for all purposes; and (iii) amend and restate Schedule 1.01(A) to the Financing Agreement in the form attached hereto as Annex II.
 3. Reaffirmation of Security Agreement. Each of the Loan Parties reaffirms the grant of security interests in the Collateral (as defined in the Security Agreement) and the grant of the Liens pursuant to the terms of the Security Agreement to the Collateral Agent for the benefit of the Secured Parties, which grant of security interest and Liens shall continue in full force and effect during the term of Financing Agreement, as amended by this Amendment, and any renewals or extensions thereof and shall continue to secure the Obligations.
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4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Agents and the Lenders as follows:

(a) Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the state or jurisdiction of its organization or formation, (ii) has all requisite power and authority to conduct its business as now conducted and as presently contemplated and, to execute and deliver this Amendment, and to consummate the transactions contemplated hereby and by the Financing Agreement, as amended hereby, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and in good standing would not reasonably be expected to have a Material Adverse Effect.

(b) Authorization, Etc. The execution and delivery by each Loan Party of this Amendment, and the performance by each Loan Party of this Amendment and the Financing Agreement, as amended hereby (i) have been duly authorized by all necessary action, (ii) do not and will not contravene (A) any of such Loan Party's Governing Documents, (B) any applicable material Requirement of Law or (C) any material Contractual Obligation binding on or otherwise affecting such Loan Party or any of its properties, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, and (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable such Loan Party operations or any of its properties, except, in the case of clause (iv), to the extent where such contravention, default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect.

(c) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution and delivery of this Amendment by any Loan Party, and the performance by any Loan Party of this Amendment and the Financing Agreement, as amended hereby.

(d) Enforceability of Amendment. This Amendment is, and each other Loan Document to which any Loan Party is or will be a party is (or, if applicable, when delivered pursuant hereto, and as amended hereby, will be) a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

5. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full (or waiver by the Agents), in a manner satisfactory to the Agents (such satisfaction to be evidenced by the delivery of their respective signature pages hereto), of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being herein called the "Fifth Amendment Effective Date"):

(a) The Agents shall have received this Amendment, duly executed by the Loan Parties, each Agent and each Lender.

(b) The representations and warranties contained in this Amendment, in the Financing Agreement and in each other Loan Document, certificate or other writing delivered to any Agent or any Lender pursuant hereto or thereto on or prior to the date hereof are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality or " Material Adverse Effect " in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of the Fifth Amendment Effective Date as though made on and as of the Fifth Amendment Effective Date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respect on and as of such earlier date (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality or " Material Adverse Effect " in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification)) .

(c) No Default or Event of Default shall have occurred and be continuing on the Fifth Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(d) All consents, authorizations and approvals of, and filings and registrations with, and all other actions in respect of, any Governmental Authority or other Person required in connection with this Amendment or any other Loan Document shall have been obtained and shall be in full force and effect.

(e) There shall exist no claim, action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority which relates to the Loans or which could reasonably be expected to have a Material Adverse Effect.

(f) The Collateral Agent shall have determined, in its reasonable discretion, that no event or development shall have occurred since June 30, 2018 which could reasonably be expected to have a Material Adverse Effect.

(g) The Borrowers shall have paid on or before the Fifth Amendment Effective Date all fees, costs, expenses and taxes then payable pursuant to Section 2.06 of the Financing Agreement and Section 12.04 of the Financing Agreement, including, without limitation, as set forth in the Fee Letter.

(h) The Agents shall have received evidence, in form and substance reasonably satisfactory to them, that not less than \$7,000,000 has been received by the Parent as cash equity contributions (which shall be in the form of Qualified Equity Interests), the proceeds of which shall be used to consummate the acquisition of Realtime Digital Innovations, LLC, a limited liability company organized under the laws of the State of Illinois (including any successor entities thereto, "Realtime") and pay all related fees and expenses, to repay, on the Fifth Amendment Effective Date, the Term Loan in an amount equal to the principal payment due on September 30, 2019 and for working capital purposes.

(i) The Administrative Agent shall have received an amendment fee equal to \$30,000, which the Borrowers acknowledge was fully earned and payable upon execution of this Amendment.

(j) The Collateral Agent shall have received on or before the Fifth Amendment Effective Date the following, each in form and substance reasonably satisfactory to the Collateral Agent and, unless indicated otherwise, dated the Fifth Amendment Effective Date:

(i) the results of searches for any effective UCC financing statements, tax Liens or judgment Liens filed against any Loan Party or its property, which results shall not show any such Liens (other than Permitted Liens);

(ii) a copy of the fully executed Realtime MIPA and a certificate executed by an Authorized Officer the Parent attaching the Realtime MIPA as in effect on the Fifth Amendment Effective Date and certifying that such agreement is a true and correct copy thereof;

(iii) the Realtime Acquisition Collateral Assignment, duly executed by Faneuil and the Collateral Agent;

(iv) Amendment No. 2 to the Amended and Restated Fee Letter, duly executed by the Loan Parties and the Collateral Agent;

(v) a certificate of an Authorized Officer of each Loan Party, certifying (A) as to copies of the Governing Documents of such Loan Party, together with all amendments thereto (including, without limitation, a true and complete copy of the charter, certificate of formation, certificate of limited partnership or other publicly filed organizational document of each Loan Party certified as of a recent date not more than 30 days prior to the Fifth Amendment Effective Date by an appropriate official of the jurisdiction of organization of such Loan Party which shall set forth the same complete name of such Loan Party as is set forth herein and the organizational number of such Loan Party, if an organizational number is issued in such jurisdiction), (B) as to a copy of the resolutions of such Loan Party authorizing (1) the transactions contemplated by this Amendment and the other Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of this Amendment and each other Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith, (C) the names and true signatures of the representatives of such Loan Party authorized to sign each Loan Document (in the case of a Borrower, including, without limitation, Notices of Borrowing, LIBOR Notices and all other notices under this Amendment and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such authorized officers and (D) as to the matters set forth in Sections 5(b) and 5(c) of this Amendment;

(vi) a certificate of the chief financial officer of the Parent certifying compliance with the covenants set forth in Section 7.03 of the Financing Agreement, as amended hereby;

(vii) a certificate of the appropriate official(s) of the jurisdiction of organization and, except to the extent such failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, each jurisdiction of foreign qualification of each Loan Party certifying as of a recent date not more than 30 days prior to the Fifth Amendment Effective Date as to the subsistence in good standing of, and the payment of taxes by, such Loan Party in such jurisdictions;

(viii) an opinion of Shearman & Sterling LLP, counsel to the Loan Parties, as to such matters as the Collateral Agent may reasonably request; and

(ix) a certificate of the chief financial officer of the Parent, certifying as to the solvency of the Loan Parties, taken as a whole (after giving effect to the transactions made on the Fifth Amendment Effective Date), which certificate shall be substantially in the form of the certificate delivered on the Effective Date pursuant to Section 5.01(d)(xi) of the Financing Agreement.

6. Conditions Subsequent. As an accommodation to the Loan Parties, the Agents and the Lenders have agreed to execute this Amendment notwithstanding unsatisfied conditions set forth below on or before the Fifth Amendment Effective Date. In consideration of such accommodation, the Loan Parties agree that, in addition to all other terms, conditions and provisions set forth in this Amendment, including, without limitation, those conditions set forth in Section 5 hereof, the Loan Parties shall deliver to the Collateral Agent within the time period specified below (it being understood that (x) the failure by the Loan Parties to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an Event of Default and (y) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Amendment or any other Loan Document to be breached, the Lenders hereby waive such breach for the period from the Fifth Amendment Effective Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 6):

(a) on or before the date that is two (2) Business Days after the Fifth Amendment Effective Date (or such later date as may be agreed in writing by the Agents in their sole discretion), the Collateral Agent shall have received the following, each in form and substance reasonably satisfactory to the Collateral Agent:

(i) the Agents shall have received evidence reasonably satisfactory to the Collateral Agent a Certificate of Conversion in respect of Realtime has been filed with the Secretary of State of the State of Delaware;

(ii) the Agents shall be reasonably satisfied that Realtime has been converted into a Delaware corporation;

(iii) a Joinder Agreement to the Financing Agreement, duly executed by the Administrative Borrower, Realtime and the Collateral Agent, including supplemental schedules to the Financing Agreement with respect thereto;

(iv) with respect to the Security Agreement, (A) a Security Agreement Supplement, in the form attached as Exhibit C thereto, duly executed and delivered by

the Collateral Agent and Realtime , together with updated schedules to the Security Agreement with respect thereto; and (B) any additional documents required to be executed in connection therewith, including, with respect to any Pledged Shares (as defined therein), a duly executed Irrevocable Proxy (as defined therein) and a duly acknowledged Registration Page (as defined therein) in blank;

(v) a Pledge Amendment (as defined in the Security Agreement), substantially in the form of Exhibit A to the Security Agreement, duly executed by the equity holder of Realtime, together with the original certificates, if any, representing all of the Equity Interests of Realtime required to be pledged thereunder and all promissory notes of Realtime required to be pledged thereunder, accompanied by undated stock or other powers executed in blank and other proper instruments of transfer;

(vi) a joinder to the Intercompany Subordination Agreement, duly executed by Realtime;

(vii) evidence satisfactory to the Collateral Agent of the filing of appropriate financing statements on Form UCC-1 in such office or offices as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests in Realtime created by the Security Agreement;

(viii) an opinion of Shearman & Sterling LLP, counsel to Realtime, as to such matters as the Collateral Agent may reasonably request; and

(ix) a certificate of an Authorized Officer of Realtime, certifying (A) as to copies of the Governing Documents of Realtime, together with all amendments thereto (including, without limitation, a true and complete copy of the charter, certificate of formation, certificate of limited partnership or other publicly filed organizational document of Realtime certified as of a recent date not more than 30 days prior to the Fifth Amendment Effective Date by an appropriate official of the jurisdiction of organization of Realtime which shall set forth the same complete name of Realtime as is set forth herein and the organizational number of Realtime, if an organizational number is issued in such jurisdiction), (B) as to a copy of the resolutions of Realtime authorizing (1) the transactions contemplated by the Loan Documents to which Realtime is or will be a party, and (2) the execution, delivery and performance by Realtime of the Loan Documents to which Realtime is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith, (C) the names and true signatures of the representatives Realtime authorized to sign each Loan Document to which Realtime is or will be a party and the other documents to be executed and delivered by Realtime in connection herewith and therewith, together with evidence of the incumbency of such authorized officers.

7. Continued Effectiveness of the Financing Agreement and Other Loan Documents. Each Loan Party hereby (i) acknowledges and consents to this Amendment, (ii) confirms and agrees that the Financing Agreement and each other Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects except that on and after the Fifth Amendment Effective Date all references in any such Loan Document to "the Financing Agreement", the "Agreement", "thereto", "thereof",

" thereunder " or words of like import referring to the Financing Agreement shall mean the Financing Agreement as amended by this Amendment, and (iii) confirms and agrees that to the extent that any such Loan Document purports to assign or pledge to the Collateral Agent for the benefit of the Secured Parties, or to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in or Lien on, any Collateral as security for the Obligations of the Loan Parties from time to time existing in respect of the Financing Agreement (as amended hereby) and the other Loan Documents, such pledge, assignment and/or grant of the security interest or Lien is hereby ratified and confirmed in all respects. This Agreement does not and shall not affect any of the obligations of the Loan Parties, other than as expressly provided herein, including, without limitation, the Loan Parties' obligations to repay the Loans in accordance with the terms of Financing Agreement, or the obligations of the Loan Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agents, any Issuing Lender or any Lender under the Financing Agreement or any other Loan Document, nor constitute a waiver of any provision of the Financing Agreement or any other Loan Document. The amendment of the Financing Agreement pursuant to this Amendment and all other Loan Documents amended and/or executed and delivered in connection with this Amendment do not constitute a novation of the Financing Agreement and the other Loan Documents as in effect prior to the Fifth Amendment Effective Date.

8. Loans. The Borrowers confirm and acknowledge that as of the close of business on July 23, 2019, the Borrowers were indebted to the (i) Revolving Loan Lenders for Revolving Loan Obligations in the aggregate principal amount of \$11,606,337.29 and Letter of Credit Obligations in the aggregate principal amount of \$3,600,000 and (ii) the Term Loan Lenders for Term Loan Obligations in the aggregate principal amount of \$83,131,681.01 in each case without any deduction, defense, setoff, claim or counterclaim, of any nature, plus all fees, costs and expenses incurred to date in connection with the Financing Agreement and other Loan Documents.

9. Release. Each Loan Party hereby acknowledges and agrees that: (a) neither it nor any of its Affiliates has any claim or cause of action against any Agent or any Lender (or any of their respective Affiliates, officers, directors, employees, attorneys, consultants or agents) and (b) each Agent and each Lender has heretofore properly performed and satisfied in a timely manner all of its obligations to such Loan Party and its Affiliates under the Financing Agreement and the other Loan Documents. Notwithstanding the foregoing and the Lenders wish (and each Loan Party agrees) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of the Agents' and the Lenders' rights, interests, security and/or remedies under the Financing Agreement and the other Loan Documents. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Loan Party (for itself and its Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release and forever discharge each Agent, each Lender and each of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (collectively, the "Released Parties") from any and all debts, claims, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed,

direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done on or prior to the Fifth Amendment Effective Date arising out of, connected with or related in any way to this Amendment, the Financing Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of any Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of each Loan Party, or the making of any Loans or other advances, or the management of such Loans or advances or the Collateral on or prior to the Fifth Amendment Effective Date .

10. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(C) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

(d) Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a "Loan Document" under the Financing Agreement. Accordingly, it shall be an Event of Default under the Financing Agreement if (i) any representation or warranty made by a Loan Party under or in connection with this Amendment shall have been untrue, false or misleading in any material respect when made, or (ii) any Loan Party shall fail to perform or observe any term, covenant or agreement contained in this Amendment.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(f) The Borrowers will pay on demand all reasonable and documented out-of-pocket fees, costs and expenses of the Agents and the Lenders in connection with the preparation, execution and delivery of this Amendment or otherwise payable under the Financing Agreement, including, without limitation, reasonable fees, disbursements and other charges of counsel to the Agents and the Lenders.

[remainder of page intentionally left blank]

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

BORROWERS :

ALJ REGIONAL HOLDINGS, INC.

By: /s/ Jess Ravich
Name: Jess Ravich
Title: Chief Executive Officer

FANEUIL, INC.

By: /s/ Anna Van Buren
Name: Anna Van Buren
Title: President and CEO

FLOORS-N-MORE, LLC

By: /s/ Steve Chesin
Name: Steve Chesin
Title: CEO/President

PHOENIX COLOR CORP.

By: /s/ Marc Reisch
Name: Marc Reisch
Title: Chairman

GUARANTORS :

FANEUIL TOLL OPERATIONS LLC

By: /s/ Anna Van Buren
Name: Anna Van Buren
Title: President and CEO

PHOENIX (MD.) REALTY, LLC

By: /s/ Marc Reisch
Name: Marc Reisch
Title: Chairman

[Signature Page to Fifth Amendment]

COLLATERAL AGENT :

CERBERUS BUSINESS FINANCE, LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Chief Executive Officer

[Signature Page to Fifth Amendment]

ADMINISTRATIVE AGENT AND LENDER :

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Jacqueline MacKenzie
Name: Jacqueline MacKenzie
Title: SVP

[Signature Page to Fifth Amendment]

LENDERS:

CERBERUS ASRS FUNDING LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS AUS LEVERED HOLDINGS LP

By: CAL I GP Holdings LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

CERBERUS AUS LEVERED II LP

By: CAL II GP LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS CAVALIERS LEVERED LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS FSBA LEVERED LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS ICQ OFFSHORE LEVERED LP

By: Cerberus ICQ Offshore GP LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

CERBERUS LOAN FUNDING XV II L TD .

By: Cerberus ASRS Holdings LLC, its attorney-in-fact

By: /s/ Daniel E. Wolf

Duly Authorized Signatory

Name: Daniel E. Wolf

Title: Vice President

CERBERUS LOAN FUNDING XVIII L.P.

By: Cerberus LFGP XVIII,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING XX L.P.

By: Cerberus LFGP XX,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING XXI L.P.

By: Cerberus LFGP XXI,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING XXII L.P.

By: Cerberus LFGP XXII,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING X XIV L . P .

By: Cerberus LFGP XXIV,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING XXV L.P.

By: Cerberus LFGP XXV,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS LOAN FUNDING XXVI L.P.

By: Cerberus LFGP XXVI,LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS ND LEVERED LLC

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Vice President

CERBERUS N-1 FUNDING LLC

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Vice President

CERBERUS OFFSHORE LEVERED III LP

By: COL III GP Inc.

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Vice President

**CERBERUS OFFSHORE LEVERED LOAN OPPORTUNITIES
MASTER FUND II, L.P.**

By: Cerberus Levered Opportunities Master Fund II GP, LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

CERBERUS ONSHORE LEVERED III LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS REDWOOD LEVERED A LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS REDWOOD LEVERED B LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS STEPSTONE LEVERED LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS SWC LEVERED II LLC

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

SAFETY NATIONAL CASUALTY CORPORATION

By: CBF-D Manager, LLC
Its: Investment Manager

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

ANNEX I

FINANCING AGREEMENT

Dated as of August 14, 2015

by and among

**ALJ REGIONAL HOLDINGS, INC.,
FANEUIL, INC., FLOORS-N-MORE, LLC AND PHOENIX COLOR CORP.,
as Borrowers,**

**EACH SUBSIDIARY OF ALJ REGIONAL HOLDINGS, INC.
LISTED AS A GUARANTOR ON THE SIGNATURE PAGES HERETO,
as Guarantors,**

**THE LENDERS FROM TIME TO TIME PARTY HERETO,
as Lenders,**

**CERBERUS BUSINESS FINANCE, LLC,
as Collateral Agent,**

and

**PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent**

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FINANCING AGREEMENT

Financing Agreement, dated as of August 14, 2015, by and among ALJ Regional Holdings, Inc., a Delaware corporation (the "Parent"), Faneuil, Inc., a Delaware corporation ("Faneuil"), Floors-N-More, LLC, a Nevada limited liability company ("FNM"), Phoenix Color Corp., a Delaware corporation ("PCC"), and together with the Parent, Faneuil, FNM and each other Person that executes a joinder agreement and becomes a "Borrower" hereunder, each a "Borrower" and collectively, the "Borrowers"), each subsidiary of the Parent listed as a "Guarantor" on the signature pages hereto (together with each other Person that executes a joinder agreement and becomes a "Guarantor" hereunder or otherwise guaranties all or any part of the Obligations (as hereinafter defined), each a "Guarantor" and collectively, the "Guarantors"), the lenders from time to time party hereto (each a "Lender" and collectively, the "Lenders"), Cerberus Business Finance, LLC, a Delaware limited liability company ("CBF"), as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and PNC Bank, National Association ("PNC"), as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent" and together with the Collateral Agent, each an "Agent" and collectively, the "Agents").

RECITALS

The Borrowers have asked the Lenders to extend credit to the Borrowers consisting of (a) a term loan in the aggregate original principal amount of \$127,500,000 and (b) a revolving credit facility in an aggregate principal amount not to exceed (x) 25,000,000 at any time outstanding during the Regular Period (as defined herein) and (y) \$32,500,000 at any time outstanding during the Seasonal Increase Period (as defined herein), which will, in each case, include a subfacility for the issuance of letters of credit in an aggregate amount not to exceed \$15,000,000. The proceeds of the term loan and the loans made under the revolving credit facility shall be used to fund the purchase price of certain acquisitions, refinance existing indebtedness of the Borrowers, for general corporate and working capital purposes of the Borrowers and to pay fees and expenses related to this Agreement. The letters of credit will be used for general corporate and working capital purposes. The Lenders are severally, and not jointly, willing to extend such credit to the Borrowers subject to the terms and conditions hereinafter set forth.

In consideration of the premises and the covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; CERTAIN TERMS

Section 1.01 Definitions. As used in this Agreement, the following terms shall have the respective meanings indicated below:

"Account Debtor" means, with respect to any Person, each debtor, customer or obligor in any way obligated on or in connection with any Account Receivable of such Person.

"Account Receivable" means, with respect to any Person, any and all accounts (as that term is defined in the Uniform Commercial Code), and any and all rights of such Person to

payment for goods sold and/or services rendered, including accounts, general intangibles and any and all such rights evidenced by chattel paper, instruments or documents, whether due or to become due and whether or not earned by performance, and whether now or hereafter acquired or arising in the future, and any proceeds arising therefrom or relating thereto.

" Action " has the meaning specified therefor in Section 12.12.

" Additional Amount " has the meaning specified therefor in Section 2.09(a).

" Adjusted Consolidated EBITDA " means, with respect to any period, the Consolidated EBITDA of the Parent and its Subsidiaries, after giving effect to (i) adjustments set forth in a due diligence quality of earnings report prepared by Crowe Horwath received by the Agents prior to the Effective Date and (ii) any other adjustments agreed to by the Parent and the Agents (such acceptance to be evidenced in writing). For purposes of this Agreement, monthly Adjusted Consolidated EBITDA for the following fiscal months shall be deemed to be as follows to give full pro forma effect to the Color Optics Acquisition, Vertex Acquisition and Moore-Langen Acquisition (as if the Color Optics Acquisition, the Vertex Acquisition and Moore-Langen Acquisition had occurred prior to such fiscal months): (A) fiscal month ended October 31, 2016, \$2,848,350, (B) fiscal month ended November 30, 2016, \$2,319,089, (C) fiscal month ended December 31, 2016, \$3,227,811, (D) fiscal month ended January 31, 2017 \$2,552,246 (E) fiscal month ended February 28, 2017, \$3,189,925, (F) fiscal month ended March 31, 2017, \$3,452,091, (G) fiscal month ended April 30, 2017, \$2,716,401, (H) fiscal month ended May 31, 2017, \$3,571,156, (I) fiscal month ended June 30, 2017, \$3,205,295 and (J) fiscal month ended July 31, 2017, \$2,792,599; provided, further, that monthly Adjusted Consolidated EBITDA for the fiscal month ended August 31, 2017, for the fiscal month ended September 30, 2017 and the stub period from October 1, 2017 through October 2, 2017 shall also be deemed to give full pro forma effect to the Moore-Langen Acquisition (as if the Moore-Langen Acquisition had occurred prior to such fiscal month or stub period, as applicable).

" Administrative Agent " has the meaning specified therefor in the preamble hereto.

" Administrative Agent's Account " means an account at a bank designated by the Administrative Agent from time to time as the account into which the Loan Parties shall make all payments to the Administrative Agent for the benefit of the Agents and the Lenders as may be required under the terms of this Agreement and the other Loan Documents.

" Administrative Borrower " has the meaning specified therefor in Section 4.05.

" Affiliate " means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 15% or more of the Equity Interests having ordinary voting power for the election of members of the Board of Directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise. Notwithstanding anything herein to the contrary, in no event shall any Agent or any Lender be considered an "Affiliate" of any Loan Party.

" After Acquired Property " has the meaning specified therefor in Section 6.01(n).

" Agent " has the meaning specified therefor in the preamble hereto.

" Agent Advances " has the meaning specified therefor in Section 10.08(a).

" Agreement " means this Financing Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

" Anti-Corruption Laws " has the meaning specified therefor in Section 6.01(aa).

" Anti-Terrorism Laws " means any Requirement of Law relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Requirement of Law, as amended, supplemented or replaced from time to time, including without limitation (a) the Money Laundering Control Act of 1986 (*i.e.* , 18 U.S.C. §§ 1956 and 1957), (b) the Bank Secrecy Act of 1970 (31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959), and the implementing regulations promulgated thereunder, (c) the USA PATRIOT Act and the implementing regulations promulgated thereunder, (d) the laws, regulations and Executive Orders administered by the United States Department of the Treasury's Office of Foreign Assets Control (" OFAC "), (e) any law prohibiting or directed against terrorist activities or the financing or support of terrorist activities (*e.g.* , 18 U.S.C. §§ 2339A and 2339B), and (f) any similar laws enacted in the United States or any other jurisdictions in which the parties to this Agreement operate, as any of the foregoing laws have been, or shall hereafter be, amended, renewed, extended, or replaced and all other present and future legal requirements of any Governmental Authority governing, addressing, relating to, or attempting to eliminate, terrorist acts and acts of war and any regulations promulgated pursuant thereto.

" Applicable Margin " means, as of any date of determination, with respect to the interest rate of:

- (a) From the Fourth Amendment Effective Date until December 31, 2018 (the " Initial Applicable Margin Period "), the relevant Applicable Margin shall be set at Level 1 in the table below.
- (b) After the Initial Applicable Margin Period, the relevant Applicable Margin shall be set at the respective level indicated below based upon the Leverage Ratio set forth opposite thereto, which ratio shall be calculated as of the end of the most recent fiscal quarter of the Parent and its Subsidiaries for which quarterly financial statements and a certificate of an Authorized Officer of the Parent are received by the Agents and the Lenders in accordance with Section 7.01(a)(ii) and Section 7.01(a)(iv) :

Level	Leverage Ratio	Reference Rate Loans	LIBOR Rate Loans
1	Greater than or equal to 2.50 to 1:00	5.75%	6.75%
2	Less than 2.50 to 1:00 and equal to or greater than 2.00 to 1:00	5.50%	6.50%
3	Less than 2.00 to 1:00	5.25%	6.25%

(c) Subject to clause (d) below, the adjustment of the Applicable Margin (if any) will occur 2 Business Days after the date the Administrative Agent receives the quarterly financial statements and a certificate of an Authorized Officer of the Parent in accordance with Section 7.01(a)(ii) and Section 7.01(a)(iv).

(d) Notwithstanding the foregoing:

(i) the Applicable Margin shall be set at Level 1 in the table above (x) upon the occurrence and during the continuation of a Default or Event of Default, or (y) if for any period, the Administrative Agent does not receive the financial statements and certificates described in clause (c) above, for the period commencing on the date such financial statements and certificate were required to be delivered through the date on which such financial statements and certificate are actually received by the Administrative Agent and the Lenders; and

(ii) in the event that any financial statement or certificate described in clause (c) above is inaccurate (regardless of whether this Agreement or any Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any fiscal period, then the Applicable Margin for such fiscal period shall be adjusted retroactively (to the effective date of the determination of the Applicable Margin that was based upon the delivery of such inaccurate financial statement or certificate) to reflect the correct Applicable Margin, and the Borrowers shall promptly make payments to the Agents and the Lenders to reflect such adjustment.

" Applicable Premium " means

(a) as of the date of the occurrence of an Applicable Premium Trigger Event specified in clause (c), (d) or (e) of the definition thereof:

(i) during the period of time from and after the Fourth Amendment Effective Date up to and including the date that is the first anniversary of the Fourth Amendment Effective Date (the " First Period "), an amount equal to 3.0% times the aggregate amount equal to the sum of (A) the principal amount of all Term Loans outstanding, (B) the principal amount of all Revolving Loans outstanding and (C) the amount of the undrawn Total Revolving Credit Commitment, in each case, on the date of such Applicable Premium Trigger Event;

(ii) during the period of time after the First Period up to and including the date that is the second anniversary of the Fourth Amendment Effective Date (the " Second Period "), an amount equal to 2.0% times the aggregate amount equal to the sum of (A) the principal amount of all Term Loans outstanding, (B) the principal amount of all Revolving Loans outstanding and (C) the amount of the undrawn Total Revolving Credit Commitment, in each case, on the date of such Applicable Premium Trigger Event;

(iii) during the period of time after the Second Period up to and including the date that is the third anniversary of the Fourth Amendment Effective Date (the " Third Period "), an amount equal to 1.0% times the aggregate amount equal to the sum of (A) the principal amount of all Term Loans outstanding, (B) the principal amount of all Revolving Loans outstanding and (C) the amount of the undrawn Total Revolving Credit Commitment, in each case, on the date of such Applicable Premium Trigger Event; and

(iv) thereafter, zero;

(b) as of the date of the occurrence of an Applicable Premium Trigger Event specified in clause (a) of the definition thereof:

(i) during the First Period, an amount equal to 3.0% times the amount of the permanent reduction of the Total Revolving Credit Commitment on such date;

(ii) during the Second Period, an amount equal to 2.0% times the amount of the permanent reduction of the Total Revolving Credit Commitment on such date;

(iii) during the Third Period, an amount equal to 1.0% times the amount of the permanent reduction of the Total Revolving Credit Commitment on such date; and

(iv) thereafter, zero;

(c) as of the date of the occurrence of an Applicable Premium Trigger Event specified in clause (b) of the definition thereof:

(i) during the First Period, an amount equal to 3.0% times the principal amount of the Term Loan being paid on such date;

(ii) during the Second Period, an amount equal to 2.0% times the principal amount of the Term Loan being paid on such date;

(iii) during the Third Period, an amount equal to 1.0% times the principal amount of the Term Loan being paid on such date; and

(iv) thereafter, zero.

" Applicable Premium Trigger Event " means

(i) any permanent reduction of the Total Revolving Credit Commitment pursuant to Section 2.05;

(ii) any payment by any Loan Party of all, or any part, of the principal balance of any Term Loan for any reason (including, but not limited to, any optional prepayment or mandatory prepayment (other than any mandatory prepayment (x) under Section 2.05(c)(i), Section 2.05(c)(iii)(B) or Section 2.05(c)(iv) or (y) made with the proceeds of the Disposition described in clause (j) of the definition of Permitted Disposition or Extraordinary Receipts constituting any purchase price adjustment received in connection with the PCC Acquisition Agreement) whether before or after (i) the occurrence of an Event of Default, or (ii) the commencement of any Insolvency Proceeding, and notwithstanding any acceleration (for any reason) of the Obligations; provided, that, notwithstanding the foregoing, Applicable Premium Trigger Event shall not include up to \$10,000,000 in the aggregate of optional prepayments of the Term Loan made under Section 2.05(b)(ii);

(iii) the acceleration of the Obligations for any reason, including, but not limited to, acceleration in accordance with Section 9.01 , including as a result of the commencement of an Insolvency Proceeding;

(iv) the satisfaction, release, payment, restructuring, reorganization, replacement, reinstatement, defeasance or compromise of any of the Obligations in any Insolvency Proceeding, foreclosure (whether by power of judicial proceeding or otherwise) or deed in lieu of foreclosure or the making of a distribution of any kind in any Insolvency Proceeding to the Agents, for the account of the Lenders in full or partial satisfaction of the Obligations; or

(v) the termination of this Agreement for any reason.

" Assignment and Acceptance " means an assignment and acceptance entered into by an assigning Lender and an assignee, and accepted by the Collateral Agent (and the Administrative Agent, if applicable), in accordance with Section 12.07 hereof and substantially in the form of Exhibit B hereto or such other form acceptable to the Collateral Agent.

" Authorized Officer " means, with respect to any Person, the chief executive officer, chief operating officer, chief financial officer, treasurer or other financial officer performing similar functions, president or executive vice president of such Person.

" Availability " means, as of any date of determination, the result of (a) the lesser of (i) the Consolidated Borrowing Base and (ii) the Total Revolving Credit Commitment, minus (b) the sum of (i) the aggregate outstanding principal amount of all Revolving Loans plus (ii) all Letter of Credit Obligations.

" Bank Product Agreements " means those certain cash management service agreements entered into from time to time between Borrowers, on the one hand, and an Agent or a Lender or its Affiliates, on the other hand, in connection with any of the Bank Products, including, without limitation, any Lender-Provided Hedge Agreement.

" Bank Product Obligations " means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by Borrowers to any Agent or Lender or its Affiliates pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that Borrowers, as applicable, are obligated to reimburse to Administrative Agent or any Lender as a result of Administrative Agent or such Lender purchasing participations or executing indemnities or reimbursement obligations with respect to the Bank Products provided to such Person pursuant to the Bank Product Agreements. Notwithstanding any of the foregoing, Bank Product Obligations shall not include any Excluded Hedge Obligations.

" Bank Product Provider " means any Agent or Lender or Affiliate thereof that provides Bank Products to any Loan Party.

" Bank Product Reserve " means, as of any date of determination, the lesser of (a) \$2,500,000 and (b) the amount of reserves that the Administrative Agent has established (based upon the Administrative Agent's reasonable determination of the credit exposure in respect of the

then extant Bank Products) in respect of Bank Products then provided or outstanding; provided that, in order to qualify as a Bank Product Reserve, such reserve must be established (i) on or substantially contemporaneous with the date that the applicable Bank Product is provided, or (ii) in response to a change in circumstance, including mark-to-market fluctuations, occurring (or becoming known to the Administrative Agent) after the date that the applicable Bank Product is provided.

" Bank Products " means any service or facility extended to the Borrowers by any Lender or its Affiliates including: (i) credit cards, (ii) credit card processing services, (iii) debit cards and stored value cards, (iv) purchase cards and commercial cards, (v) ACH transactions, (vi) cash management and treasury management services and products, including without limitation controlled disbursement accounts or services, lockboxes, automated clearinghouse transactions, overdrafts, interstate depository network services, or (vii) Lender-Provided Hedge Agreements and other foreign exchange or "FX" cash management products.

" Bankruptcy Code " means Title 11 of the United States Code, as amended from time to time and any successor statute or any similar federal or state law for the relief of debtors.

" Blocked Person " means any Person:

(a) that (i) is identified on the list of "Specially Designated Nationals and Blocked Persons" published by OFAC; (ii) resides, is organized or chartered, or has a place of business in a country or territory that is the subject of an OFAC Sanctions Program; or (iii) a United States Person is prohibited from dealing or engaging in a transaction with under any of the Anti-Terrorism Laws; and

(b) that is owned or controlled by, or that owns or controls, or that is acting for or on behalf of, any Person described in clause (a) above.

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

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

" Borrower " has the meaning specified therefor in the preamble hereto.

" Borrowing Base " means, with respect to any Person, at any time, (a) up to 85.0% of the Net Amount of Eligible Accounts Receivable of such Person at such time minus (b) the aggregate amount of Reserves established by the Administrative Agent in its Permitted Discretion. The foregoing advance rate may be increased or decreased by Administrative Agent (with the prior written consent of the Collateral Agent and, so long as no Event of Default has occurred and is continuing, in consultation with the Administrative Borrower) at any time and from time to time in the exercise of its Permitted Discretion based on Administrative Agent's

review of updated field examinations or other Collateral evaluations (it being understood that the amount of any reduction in the advance rate shall have a reasonable relationship to the event, condition or other matter which is the basis for such reduction, and shall not have been otherwise addressed or compensated for through the imposition of Reserves, all as reasonably determined by Administrative Agent in good faith) . The Borrowers consent to any such increases or decreases and acknowledge that decreasing the advance rates or increasing or imposing Reserves may limit or restrict Revolving Loans requested by or on behalf of the Borrowers.

" Borrowing Base Certificate " means a certificate signed by an Authorized Officer of the Administrative Borrower and setting forth the calculation of the Borrowing Base of each Borrower and the Consolidated Borrowing Base in compliance with Section 7.01(a) (vi), substantially in the form of Exhibit E.

" Business Day " means (a) for all purposes other than as described in clause (b) below, any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in East Brunswick, New Jersey, or New York City, (b) with respect to the borrowing, payment or continuation of, or determination of interest rate on, LIBOR Rate Loans, any day that is a Business Day described in clause (a) above and on which dealings in Dollars may be carried on in the interbank eurodollar markets in New York City and London.

" Capital Expenditures " means, with respect to any Person for any period, the sum of (a) the aggregate of all expenditures by such Person and its Subsidiaries during such period that in accordance with GAAP are or should be included in "property, plant and equipment" or in a similar fixed asset account on its balance sheet, whether such expenditures are paid in cash or financed, including all Capitalized Lease Obligations that are paid or due and payable during such period and (b) to the extent not covered by clause (a) above, the aggregate of all expenditures by such Person and its Subsidiaries during such period to acquire by purchase or otherwise the business or fixed assets of, or the Equity Interests of, any other Person; provided that the term "Capital Expenditures" shall not include Faneuil CapEx.

" Capitalized Lease " means, with respect to any Person, any lease of (or other arrangement conveying the right to use) real or personal property by such Person as lessee that is required under GAAP to be capitalized on the balance sheet of such Person.

" Capitalized Lease Obligations " means, with respect to any Person, obligations of such Person and its Subsidiaries under Capitalized Leases, and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

" Cash Collateralize " or " Cash Collateralization " means to deliver to the Administrative Agent an amount (whether in cash or in the form of a backstop letter of credit in form and substance reasonably satisfactory to, and issued by a U.S. commercial bank reasonably acceptable to, the Administrative Agent in its reasonable discretion) equal to 103% of the sum of (a) the Maximum Undrawn Amount plus the aggregate amount of all unreimbursed payments and disbursements due and payable under each Letter of Credit which have not been converted to Revolving Loans plus (b) the amount of unpaid Letter of Credit Fees then accrued.

" Cash Equivalents " means (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case, maturing within 360 days from the date of acquisition thereof; (b) commercial paper, maturing not more than 270 days after the date of issue rated P -1 by Moody ' s or A -1 by Standard & Poor ' s; (c) certificates of deposit maturing not more than 360 days after the date of issue, issued by commercial banking institutions and money market or demand deposit accounts maintained at commercial banking institutions, each of which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$500,000,000; (d) repurchase agreements having maturities of not more than 90 days from the date of acquisition which are entered into with major money center banks included in the commercial banking institutions described in clause (c) above and which are secured by readily marketable direct obligations of the United States Government or any agency thereof; (e) money market accounts maintained with mutual funds having assets in excess of \$2,500,000,000, which assets are primarily comprised of Cash Equivalents described in another clause of this definition; and (f) marketable tax exempt securities rated A or higher by Moody ' s or A+ or higher by Standard & Poor ' s, in each case, maturing within 270 days from the date of acquisition thereof.

" Cash Management Accounts " means the bank accounts of each Loan Party maintained at one or more Cash Management Banks listed on Schedule 8.01 (as such Schedule may be amended in accordance with Section 8.01(d)).

" Cash Management Bank " has the meaning specified therefor in Section 8.01(a).

" CEA " means the CEA (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

" CFTC " means the Commodity Futures Trading Commission.

" Change in Law " means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith (whether or not having the force of law) and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of law) shall, in each case, be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued, promulgated, or implemented.

" Change of Control " means each occurrence of any of the following:

(a) the acquisition, directly or indirectly, by any person or group (within the meaning of Section 13(d)(3) of the Exchange Act) other than a Permitted Holder of beneficial ownership of more than the aggregate outstanding voting or economic power of the Equity Interests of the Parent owned by the Permitted Holders;

(b) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Parent (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Parent was approved by, or subsequently ratified by, a vote of at least a majority of the directors of the Parent then still in office who were either directors at the beginning of such period, or whose election or nomination for election was previously approved) cease for any reason to constitute a majority of the Board of Directors of the Parent;

(c) the Parent shall cease to have beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of 100% of the aggregate voting or economic power of the Equity Interests of each other Loan Party and each of its Subsidiaries (other than in connection with any transaction permitted pursuant to Section 7.02(e)(i)), free and clear of all Liens (other than Permitted Specified Liens); or

(d) a "Change of Control" (or any comparable term or provision) under or with respect to any of the Equity Interests or Indebtedness of the Parent or any of its Subsidiaries.

" Collateral " means all of the property and assets and all interests therein and proceeds thereof now owned or hereafter acquired by any Person upon which a Lien is granted or purported to be granted by such Person as security for all or any part of the Obligations.

" Collateral Agent " has the meaning specified therefor in the preamble hereto.

" Collateral Records " means, to the extent relating to Accounts Receivable, the other Revolver Priority Collateral or any Account Debtor or other Person obligated on or in connection with any of the Accounts Receivable, all of the Loan Parties' present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of the Borrowers and the other Loan Parties with respect to the foregoing maintained with or by any other Person).

" Collection Accounts " means the Cash Management Accounts which are designated as "collection accounts" on Schedule 8.01.

" Collections " means all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds).

" Color Optics Acquisition " means the acquisition of all of the "Acquired Assets" pursuant to, and as defined in, the Color Optics APA.

" Color Optics Acquisition Collateral Assignment " means the Collateral Assignment of Acquisition Documents, dated as of the First Amendment Effective Date , and in form and substance satisfactory to the Collateral Agent, made by PCC i n favor of the Collateral Agent.

" Color Optics APA " means the Asset Purchase Agreement, dated as of June 21, 2016, among PCC, as buyer, AKI, Inc., a Delaware Corporation (" Arcade "), as seller, and Bioplan USA, Inc., a Delaware Corporation and parent of Arcade.

" Commitments " means, with respect to each Lender, such Lender's Revolving Credit Commitment and Term Loan Commitment.

" Compliance Certificate " means a certificate of an Authorized Officer of the Parent substantially in the form of Exhibit G.

" Connection Income Taxes " means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

" Consolidated Borrowing Base " means, at any time, the aggregate of the Borrowing Bases of all Borrowers (as determined pursuant to the most recently delivered Borrowing Base Certificate).

" Consolidated EBITDA " means, with respect to any Person for any period:

(vi) the Consolidated Net Income of such Person for such period,

plus

(vii) without duplication, the sum of the following amounts for such period to the extent deducted in the calculation of Consolidated Net Income for such period:

(i) any provision for United States federal income taxes or other taxes (including state, franchise and other similar taxes and foreign withholding taxes) measured by income, profit or capital,

(ii) Consolidated Net Interest Expense,

(iii) any depreciation and amortization expense (including amortization of debt discounts, fees and charges incurred in connection with Indebtedness),

(iv) any aggregate net loss on the Disposition of property (other than accounts and Inventory) outside the ordinary course of business,

(v) fees, costs and expenses incurred during such period in connection with the Effective Date Transactions, including expenses relating to the acceleration of employee compensation in connection therewith, paid within 365 days following the Effective Date in an aggregate amount not to exceed \$2,000,000,

(vi) fees, costs and expenses incurred during such period in connection with (x) (A) any actual issuance of any Indebtedness or Equity Interests or (B) any actual acquisitions, investments, asset sales or divestitures permitted hereunder in an aggregate amount for clauses (x)(A) and (x)(B) not to exceed \$1,000,000 in any Fiscal Year and (y) the Fourth Amendment, paid within three months of the Fourth Amendment Effective Date ,

(vii) non-recurring cash charges incurred during such period in respect of restructurings, facilities closings, headcount reductions or other similar actions, including severance charges in respect of employee terminations or relocation costs and business optimization costs, in an aggregate amount not to exceed \$1,500,000 during the term of this Agreement (provided that supporting documentation reasonably satisfactory to the Agents certified by an Authorized Officer of the Parent is delivered to the Agents),

(viii) restructuring, integration or similar charges in an aggregate amount not to exceed \$3,500,000 minus the amount of any addbacks used by the Loan Parties pursuant to clause (ix) below during the term of this Agreement; provided , that amounts added back pursuant to this clause shall not exceed (A) \$1,500,000 during the period commencing on the Fourth Amendment Effective Date and ending on June 30, 2019 and (B) \$2,000,000 thereafter (provided that supporting documentation reasonably satisfactory to the Agents certified by an Authorized Officer of the Parent is delivered to the Agents),

(ix) any loss from extraordinary items and non-recurring or unusual costs, expenses and charges (it being agreed that write downs of current assets, including Accounts Receivable and Inventory, shall not be deemed to be extraordinary, non-recurring or unusual for purposes of this clause (ix)) in an aggregate amount not to exceed \$3,500,000 minus the amount of any addbacks used by the Loan Parties pursuant to clause (viii) above during the term of this Agreement; provided , that amounts added back pursuant to this clause shall not exceed (A) \$1,500,000 during the period commencing on the Fourth Amendment Effective Date and ending on June 30, 2019 and (B) \$2,000,000 thereafter (provided that supporting documentation reasonably satisfactory to the Agents certified by an Authorized Officer of the Parent is delivered to the Agents),

(x) non-recurring fees, costs and expenses incurred during such period in connection with the Parent's uplisting to Nasdaq in an aggregate amount not to exceed \$1,000,000 during the term of this Agreement; provided, that supporting documentation reasonably satisfactory to the Agents certified by an Authorized Officer of the Parent is delivered to the Agents and such amounts are reasonably satisfactory to the Agents. For purposes of this calculation, the amount added back for each month shall be \$475,473 for December 2015, \$136,045 for January 2016, \$60,490 for February 2016, \$150,722 for March 2016, \$107,000 for April 2016 and \$70,000 for May 2016; and

(xi) any other non-cash expenditure, charge or loss for such period (other than any non-cash expenditure, charge or loss relating to write-offs, write-downs or reserves with respect to accounts and Inventory),

minus

(viii) without duplication, the sum of the following amounts for such period to the extent included in the calculation of such Consolidated Net Income for such period:

(i) any credit for United States federal income taxes or any other taxes (including state, franchise and other similar taxes and foreign withholding taxes) measured by income, profit or capital,

(ii) any gain from extraordinary items,

(iii) any aggregate net gain from the Disposition of property (other than accounts and Inventory) outside the ordinary course of business, and

(iv) any other non-cash gain, including any reversal of a charge referred to in clause (b)(x) above by reason of a decrease in the value of any Equity Interest;

in each case, determined on a consolidated basis in accordance with GAAP.

" Consolidated Net Income " means, with respect to any Person, for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period; provided, however, that the following shall be excluded: (a) the net income of any other Person in which such Person or one of its Subsidiaries has a joint interest with a third-party (which interest does not cause the net income of such other Person to be consolidated into the net income of such Person), except to the extent of the amount of dividends or distributions paid to such Person or Subsidiary, (b) the net income of any Subsidiary of such Person that is, on the last day of such period, subject to any restriction or limitation on the payment of dividends or the making of other distributions, to the extent of such restriction or limitation, and (c) the net income of any other Person arising prior to such other Person becoming a Subsidiary of such Person or merging or consolidating into such Person or its Subsidiaries.

" Consolidated Net Interest Expense " means, with respect to any Person for any period, (a) gross interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis and in accordance with GAAP (including, without limitation, interest expense paid to Affiliates of such Person), less (b) the sum of (i) interest income for such period and (ii) gains for such period on Hedging Agreements (to the extent not included in interest income above and to the extent not deducted in the calculation of gross interest expense), plus (c) the sum of (i) losses for such period on Hedging Agreements (to the extent not included in gross interest expense) and (ii) the upfront costs or fees for such period associated with Hedging Agreements (to the extent not included in gross interest expense), in each case, determined on a consolidated basis and in accordance with GAAP.

" Contingent Indemnity Obligations " means any Obligation constituting a contingent, unliquidated indemnification obligation of any Loan Party, in each case, to the extent (a) such obligation has not accrued and is not yet due and payable and (b) no claim has been made or is reasonably anticipated to be made with respect thereto.

" Contingent Obligation " means, with respect to any Person, any obligation of such Person guaranteeing or intending to guarantee any Indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner,

whether directly or indirectly, including, without limitation, (a) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of a primary obligor, (b) the obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement, (c) any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term "Contingent Obligation" shall not include any product warranties extended in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation with respect to which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto (assuming such Person is required to perform thereunder), as determined by such Person in good faith.

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

" Control Agreement " means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance satisfactory to the Agents, among the Collateral Agent, the financial institution, securities intermediary or other Person at which such account is maintained or with which such entitlement or contract is carried, and the Loan Party maintaining such account, effective to grant "control" (as defined under the applicable UCC) over such account to the Collateral Agent.

" Covered Entity " means (a) each Borrower, each of Borrower's Subsidiaries, all Guarantors and all pledgors of Collateral and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 15% or more of the Equity Interests having ordinary voting power for the election of members of the Board of Directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

" Current Value " has the meaning specified therefor in Section 7.01(m).

" Debtor Relief Law " means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement,

receivership, insolvency, reorganization, or similar debtor relief law of the United States or other applicable jurisdiction from time to time in effect.

" Default " means an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

" Defaulting Lender " means any Lender that (a) has failed to (i) fund all or any portion of its Loans within 2 Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Administrative Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within 2 Business Days of the date when due, (b) has notified the Administrative Borrower, or the Administrative Agent or any L/C Issuer in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within 3 Business Days after written request by the Administrative Agent or the Administrative Borrower, to confirm in writing to the Administrative Agent and the Administrative Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Administrative Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity. Notwithstanding anything to the contrary herein, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Administrative Borrower, each L/C Issuer and each Lender.

" Dilution " means, as of any date of determination, a percentage, based upon the experience of the immediately prior 90 consecutive days, that is the result of dividing the dollar amount of (a) discounts, advertising allowances, credits, or other similar items that are granted in

the ordinary course of business with respect to the Borrowers ' Accounts Receivable during such period, by (b) the Borrowers ' billings with respect to Accounts Receivable during such period.

" Dilution Reserve " means, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Accounts Receivable by 1 percentage point for each percentage point by which Dilution is in excess of 5.0%.

" Disbursement Letter " means a disbursement letter, in form and substance satisfactory to the Agents, by and among the Loan Parties, the Agents, the Lenders and the other Persons party thereto, and the related funds flow memorandum describing the sources and uses of all cash payments in connection with the transactions contemplated to occur on the Effective Date.

" Disposition " means any transaction, or series of related transactions, pursuant to which any Person or any of its Subsidiaries sells, assigns, transfers, leases, licenses (as licensor) or otherwise disposes of any property or assets (whether now owned or hereafter acquired) to any other Person, in each case, whether or not the consideration therefor consists of cash, securities or other assets owned by the acquiring Person. For purposes of clarification, "Disposition" shall include (a) the sale or other disposition for value of any contracts, (b) the early termination or modification of any contract resulting in the receipt by any Loan Party of a cash payment or other consideration in exchange for such event (other than payments in the ordinary course for accrued and unpaid amounts due through the date of termination or modification), (c) any sale of merchant accounts (or any rights thereto (including, without limitation, any rights to any residual payment stream with respect thereto)) by any Loan Party and (d) any disposition of property through a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law.

" Disqualified Equity Interests " means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or, (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends or distributions in cash, or (d) is convertible into or exchangeable for (i) Indebtedness or (ii) any other Equity Interests that would constitute Disqualified Equity Interests, in each case of clauses (a) through (d), prior to the date that is 95 days after the Final Maturity Date.

" Dollar , " Dollars " and the symbol " \$ " each means lawful money of the United States of America.

" Domestic Subsidiary " means any Subsidiary that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia.

" Drawing Date " has the meaning specified therefor in Section 3.04(b).

" Effective Date " has the meaning specified therefor in Section 5.01.

" Effective Date Transactions " means (a) the execution, delivery and performance of the Loan Documents and the making of the Loans hereunder, (b) the transactions contemplated by the PCC Acquisition Documents (including the PCC Acquisition), and (c) the other transactions contemplated hereby and thereby to occur on the Effective Date .

" Effectiveness Date " means the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date of execution of such document or agreement.

" Effective Yield " means, as to any Loan, the effective yield on such Loan as determined by the Collateral Agent in good faith, taking into account the applicable interest rate margins, any interest rate floors or similar devices and all fees, including, without limitation, upfront, underwriting, commitment or similar fees or original issue discount payable generally to all Lenders making such Loan, but excluding any arrangement, structuring or amendment fees or other fees payable in connection therewith that are not generally payable to all Lenders making such Loan.

" Eligible Accounts Receivable " means and include, the Accounts Receivable of a Borrower arising in the ordinary course of business and which meets all of the eligibility criteria set forth below, as determined by the Administrative Agent, in its Permitted Discretion:

(a) delivery of the merchandise or the rendition of the services has been completed with respect to such Account Receivable (except to the extent the merchandise has been shipped in accordance with instructions from the Account Debtor, and such Account Debtor has agreed that such shipment constitutes delivery);

(b) no return, rejection, repossession or dispute has occurred with respect to such Account Receivable, the Account Debtor is not subject to any setoff, defense or counterclaim with respect to such Account Receivable, and there has not occurred any extension of the time for payment with respect to such Account Receivable without the consent of the Administrative Agent, provided that, in the case of any dispute, setoff, defense or counterclaim with respect to an Account Receivable, the portion of such Account Receivable not subject to such dispute, potential (or actual) setoff, defense or counterclaim will not be ineligible solely by reason of this clause (b);

(c) such Account Receivable is subject to a first priority perfected and enforceable Lien in favor of the Collateral Agent for the benefit of the Agents and the Secured Parties, and is lawfully owned by a Borrower free and clear of any Lien (other than Liens in favor of the Collateral Agent for the benefit of the Agents and the Secured Parties and Liens permitted under clauses (b) and (k) of the definition of "Permitted Liens", so long as the Lien in favor of the Collateral Agent remains a first priority Lien) and otherwise continues to be in conformity in all material respects with all representations and warranties made by Borrowers to the Agents and the Lenders with respect thereto in the Loan Documents, and such Borrower has the right to grant Liens on such Account Receivable;

(d) such Account Receivable (i) is not evidenced by a promissory note, chattel paper, bill of sale or any other instrument or other document in respect of which the perfection or priority of the security interest of the Collateral Agent in such document would be enhanced or

ensured by possession under applicable law unless the original of such document is in the possession of the Collateral Agent and contains all necessary endorsements in favor of the Collateral Agent, and (ii) is unconditionally payable by a Borrower in Dollars;

(e) (i) no more than 145 days have elapsed from the invoice date in the case of any Account Receivable for which the Account Debtor is Reckitt Benckiser and (ii) no more than 60 days have elapsed from the invoice due date and no more than 90 days have elapsed from the invoice date with respect to any other Account Receivable;

(f) such Account Receivable is not due from an Affiliate of a Borrower;

(g) such Account Receivable does not constitute an obligation of the federal government of the United States (or any other United States federal Governmental Authority) which is either (i) eligible for assignment under the Federal Assignment of Claims Act (unless, if applicable, all steps required by the Administrative Agent in connection therewith, including notice to the United States Government under the Federal Assignment of Claims Act have been duly taken in a manner satisfactory to the Administrative Agent) or (ii) otherwise subject to an enforceable restriction on the assignment thereof under federal law that would pre-empt the provisions of Section 9 -406 of the Uniform Commercial Code (unless all necessary steps have been taken to comply with such restrictions on assignment); provided, that notwithstanding the foregoing, up to \$5,000,000 in the aggregate for any Account Receivable of the type described in this clause (g) may be an Eligible Account Receivable at any time so long as the owner or beneficiary of such Account Receivable is Faneuil;

(h) the Account Debtor (or the applicable office of the Account Debtor) with respect to such Account is located in the continental United States, unless such Account is (i) supported by a letter of credit or other similar obligation or (ii) covered by credit insurance, in each case satisfactory to the Administrative Agent;

(i) with respect to the Account Debtor for such Account Receivable, not more than 50% of the aggregate amount of all Accounts Receivable of such Account Debtor are excluded on the basis of the aging requirements set forth in clause (e) above;

(j) with respect to the Account Debtor for such Account Receivable, to the extent that the aggregate amount of outstanding Accounts Receivable of such Account Debtor does not exceed 20% of all Eligible Accounts Receivable;

(k) the sale to the Account Debtor is not on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis;

(l) the Account Debtor with respect to such Account Receivable is not a Blocked Person;

(m) the Account Debtor with respect to such Account Receivable (i) has not filed a petition for bankruptcy or any other relief under any Debtor Relief Law, (ii) has not failed, suspended business operations, become insolvent or called a meeting of its creditors or otherwise commenced action under any assignment for the benefit of creditor statute, (iii) has not had or suffered to be appointed a receiver or a trustee for all or a significant portion of its assets or affairs

or (iv) in the case of an Account Debtor who is an individual, is not an employee of a Borrower or any of its Affiliates and has not died or been declared incompetent;

(n) the Administrative Agent is, and continues to be, satisfied in its Permitted Discretion with the credit standing of the Account Debtor with respect to such Account Receivable in relation to the amount of credit extended with respect to such Account Debtor, and the Administrative Agent believes, in its reasonable discretion, that the prospect of collection of such Account Receivable is not impaired for any reason; and

(o) such Account Receivable is and at all times shall continue to be acceptable to the Administrative Agent in its Permitted Discretion.

The Administrative Agent reserves the right, at any time and from time to time after the Effective Date, if any Account Receivable at any time ceases to be an Eligible Account Receivable and the Administrative Agent becomes aware of such fact, to, in its Permitted Discretion, exclude such Account Receivable from the calculation of the Borrowing Base. In the event that (i) any Borrower shall acquire any new assets after the Effective Date or (ii) a new Borrower is joined as a party to this Agreement under any circumstance, no such Accounts Receivable acquired in such acquisition or belonging to such new Borrower shall, unless otherwise approved by the Administrative Agent in the exercise of its Permitted Discretion, constitute an Eligible Account Receivable for any purpose under this Agreement until the Administrative Agent shall have completed a Field Survey and Audit with respect to such after-acquired assets or new Borrower.

" Eligible Contract Participant " means an "eligible contract participant" as defined in the CEA and regulations thereunder.

" Eligibility Date " means, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Loan Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effectiveness Date of such Swap if this Agreement or any other Loan Document is then in effect with respect to such Loan Party, and otherwise it shall be the Effectiveness Date of this Agreement or such other Loan Document to which such Loan Party is a party).

" Employee Plan " means an employee benefit plan (other than a Multiemployer Plan) covered by Title IV of ERISA and maintained (or that was maintained at any time during the 6 calendar years preceding the date of any borrowing hereunder) for employees of any Loan Party or any of its ERISA Affiliates.

" Environmental Actions " means any complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter or other communication from any Person or Governmental Authority involving violations of Environmental Laws or Releases of Hazardous Materials (a) from any assets, properties or businesses owned or operated by any Loan Party or any of its Subsidiaries or any predecessor in interest; (b) from adjoining properties or businesses; or (c) onto any facilities which received Hazardous Materials generated by any Loan Party or any of its Subsidiaries or any predecessor in interest.

" Environmental Laws " means the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), the Federal Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.) and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), as such laws may be amended or otherwise modified from time to time, and any other Requirement of Law, permit, license or other binding determination of any Governmental Authority imposing liability or establishing standards of conduct for protection of the environment or other government restrictions relating to the protection of the environment or the Release, deposit or migration of any Hazardous Materials into the environment.

" Environmental Liabilities and Costs " means all liabilities, monetary obligations, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigations and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any Governmental Authority or any third party, and which relate to any environmental condition or a Release of Hazardous Materials from or onto (a) any property presently or formerly owned by any Loan Party or any of its Subsidiaries or (b) any facility which received Hazardous Materials generated by any Loan Party or any of its Subsidiaries.

" Environmental Lien " means any Lien in favor of any Governmental Authority for Environmental Liabilities and Costs.

" Equity Interests " means (a) all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting and (b) all securities convertible into or exchangeable for any of the foregoing and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any of the foregoing, whether or not presently convertible, exchangeable or exercisable.

" Equity Issuance " means either (a) the sale or issuance by any Loan Party or any of its Subsidiaries of any shares of its Equity Interests or (b) the receipt by the Parent of any cash capital contributions.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case, as in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

" ERISA Affiliate " means, with respect to any Person, any trade or business (whether or not incorporated) which is a member of a group of which such Person is a member and which would be deemed to be a "controlled group" within the meaning of Sections 414(b), (c), (m) and (o) of the Internal Revenue Code.

" Event of Default " has the meaning specified therefor in Section 9.01 .

" Excess Availability " means, as of any date of determination, the amount equal to the result of (a) Availability minus (b) the aggregate amount, if any, of all trade payables of the Parent and its Subsidiaries aged in excess of historical levels with respect thereto and all book overdrafts of the Parent and its Subsidiaries in excess of historical practices with respect thereto, in each case, as determined by the Agents in their discretion.

" Excess Cash Flow " means, with respect to any Person for any period, (a) Adjusted Consolidated EBITDA of such Person and its Subsidiaries for such period, less (b) the sum of, without duplication, (i) all cash principal payments (excluding any principal payments made pursuant to Section 2.05(c)) on the Loans made during such period (but, in the case of the Revolving Loans, only to the extent that the Total Revolving Credit Commitment is permanently reduced by the amount of such payments), and all cash principal payments on Indebtedness (other than Indebtedness incurred under this Agreement) of such Person or any of its Subsidiaries during such period to the extent such other Indebtedness is permitted to be incurred, and such payments are permitted to be made, under this Agreement (but, in the case of revolving loans, only to the extent that the revolving credit commitment in respect thereof is permanently reduced by the amount of such payments), (ii) all Consolidated Net Interest Expense to the extent paid or payable in cash during such period, (iii) the cash portion of Capital Expenditures made by such Person and its Subsidiaries during such period to the extent permitted to be made under this Agreement (excluding Capital Expenditures to the extent financed through the incurrence of Indebtedness or through an Equity Issuance), (iv) all scheduled loan servicing fees and other similar fees in respect of Indebtedness of such Person or any of its Subsidiaries paid in cash during such period, to the extent such Indebtedness is permitted to be incurred, and such payments are permitted to be made, under this Agreement, (v) income taxes paid in cash by such Person and its Subsidiaries for such period, (vi) one-half of the amount of any taxes that are reduced by the net operating losses of such Person and its Subsidiaries, (vii) the excess, if any, of Working Capital at the end of such period over Working Capital at the beginning of such period (or minus the excess, if any, of Working Capital at the beginning of such period over Working Capital at the end of such period), (viii) the amount of any expenditures described in clause (a) and (b) of Faneuil CapEx; provided, that solely for purposes of calculating the Excess Cash Flow for Fiscal Year 2016, (x) the Term A Loan Disbursements, (y) any Capital Expenditures made or employee severance expenses incurred in connection with the Color Optics Acquisition in excess of the amount referred to in clause (z)(ii) of Section 6.01(s) and (z) any facility consolidation costs incurred in connection with the Color Optics Acquisition, shall in each case be excluded from the deductions set forth in this clause (b) without duplication; provided, further, that solely for purposes of calculating the Excess Cash Flow for Fiscal Year 2017, the Specified Disbursements shall be excluded from the deductions set forth in this clause (b) without duplication; provided, further, that solely for purposes of calculating the Excess Cash Flow for Fiscal Year 2018, the Moore-Langen Disbursements shall be excluded from the deductions set forth in this clause (b) without duplication, and (ix) any Milestone Payments (as defined in the Realtime MIPA) described in clause (j) of the definition of Permitted Indebtedness paid in cash in such period, provided, that, such Milestone Payment is not financed through an Equity Issuance.

" Exchange Act " means the Securities Exchange Act of 1934, as amended.

" Excluded Account " means (a) any deposit account specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments (including Roth IRA contributions) to or for the benefit of any Loan Party ' s employees and (b) any Petty Cash Accounts.

" Excluded Equity Issuance " means (a) in the event that the Parent or any of its Subsidiaries forms any Subsidiary in accordance with this Agreement, the issuance by such Subsidiary of Equity Interests to the Parent or such Subsidiary, as applicable, (b) the issuance of Equity Interests by the Parent to any Person that is an equity holder of the Parent prior to such issuance (an " Equity Holder ") so long as such Equity Holder did not acquire any Equity Interests of the Parent so as to become an Equity Holder concurrently with, or in contemplation of, the issuance of such Equity Interests to such Equity Holder, (c) the issuance of Equity Interests of the Parent to directors, officers and employees of the Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors of the Parent, (d) the issuance of Equity Interests of the Parent to finance the payment of a Milestone Payment described in clause (j) of "Permitted Indebtedness" and (e) the issuance of Equity Interests by a Subsidiary of the Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) – (d) above.

" Excluded Hedge Liability or Liabilities " means, with respect to each Borrower and Guarantor, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Loan Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Borrower's and/or Guarantor's failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Loan Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Borrower or Guarantor for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap; (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest; and (c) if there is more than one Borrower or Guarantor executing this Agreement or the other Loan Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

" Excluded Locations " means the locations identified on Schedule 5.03(b).

" Excluded Taxes " means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.12(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.09 , amounts with respect to such Taxes were payable either to such Lender ' s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient ' s failure to comply with Section 2.09(d) and (d) any U.S. federal withholding Taxes imposed under FATCA .

" Executive Order No. 13224 " means the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

" Existing Credit Facilities " means, collectively, (a) the Specified Existing Credit Facilities and (b) the credit facilities evidenced by (i) that certain Loan and Security Agreement (as modified by that certain Modification Agreement, dated as of April 29, 2015), dated as of September 30, 2014, between the Parent and M&T Bank, with respect to a revolving loan and term loan credit facility, (ii) that certain Amended and Restated Loan and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time), dated as of September 30, 2014, between Faneuil and M&T Bank, with respect to a revolving loan and term loan credit facility, (iii) that certain Loan and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time), dated as of September 30, 2014, between FNM and M&T Bank, with respect to a revolving loan credit facility, and (iv) that certain Master Loan and Security Agreement, dated July 15, 2009, between PCC and People's Capital Leasing Corp.

" Existing Lenders " means the lenders party to any Existing Credit Facility.

" Existing Term Loan Indebtedness " has the meaning specified therefor in Section 2.01(a)(vi).

" Extraordinary Receipts " means any cash received by the Parent or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.05(c)(ii) or (iii) hereof), including, without limitation, (a) foreign, United States, state or local tax refunds in an aggregate amount exceeding \$500,000 during the term of this Agreement, (b) pension plan reversions, (c) proceeds of insurance (other than to the extent such insurance proceeds are (i) immediately payable to a Person that is not the Parent or any of its Subsidiaries in accordance with applicable Requirements of Law or with Contractual Obligations entered into in the ordinary course of business or (ii) received by the Parent or any of its

Subsidiaries as reimbursement for any out-of-pocket costs incurred or made by such Person prior to the receipt thereof directly related to the event resulting from the payment of such proceeds), (d) judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (e) condemnation awards (and payments in lieu thereof), (f) indemnity payments and (g) any purchase price adjustment received in connection with any purchase agreement including, without limitation, the PCC Acquisition Agreement.

" Facility " means the real property identified on Schedule 1.01(B) and any New Facility hereafter acquired by the Parent or any of its Subsidiaries, including, without limitation, the land on which each such facility is located, all buildings and other improvements thereon, and all fixtures located thereat or used in connection therewith.

" Faneuil " has the meaning specified therefor in the preamble hereto.

" Faneuil CapEx " means any expenditures made by any Loan Party for or in connection with (a) the construction of new call centers for use by or the benefit of Faneuil, as consented to by the Collateral Agent in writing, (b) the buildout of service centers for use by or the benefit of Faneuil in Wichita, Kansas, Sacramento, California and Orlando, Florida, not to exceed \$18,500,000 in the aggregate for all such expenditures and (c) implementation or other set-up costs for any client of Faneuil to the extent that such amounts are to be reimbursed to Faneuil by such client pursuant to a binding agreement between Faneuil and such client (provided that evidence of such agreement reasonably satisfactory to the Collateral Agent is delivered to the Collateral Agent), so long as the aggregate amount of all unreimbursed amounts shall not exceed \$3,500,000 at any time.

" FASB ASC " means the Accounting Standards Codification of the Financial Accounting Standards Board.

" FATCA " means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

" FCPA " has the meaning specified therefor in Section 6.01(aa).

" Federal Funds Effective Rate " means, for any day, the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight Federal funds transactions arranged by Federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided that, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

" Federal Funds Open Rate " means, for any day , the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption " OPEN " (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by Administrative Agent (an " Alternate Source ") (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time , for any reason , no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by Administrative Agent at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the " open " rate on the immediately preceding Business Day. If and when the Federal Funds Open Rate changes, the rate of interest hereunder will change automatically without notice to the Borrowers, effective on the date of any such change.

" Fee Letter " means the fee letter, dated as of August 14, 2015, among the Borrowers and the Collateral Agent (as amended, restated, supplemented or otherwise modified from time to time).

" Field Survey and Audit " means a field survey and audit of the Loan Parties and an appraisal of the Collateral performed by auditors, examiners and/or appraisers selected by the Administrative Agent in consultation with the Administrative Borrower, at the sole cost and expense of the Borrowers (provided that so long as no Event of Default shall have occurred and be continuing, such costs and expenses payable by the Borrowers shall not exceed \$40,000 during any calendar year).

" Fifth Amendment " means the Fifth Amendment to Financing Agreement, dated as of July 31, 2019, among the Borrowers, the Guarantors, the Agents and the Lenders party thereto.

" Fifth Amendment Effective Date " has the meaning specified therefor in Section 5 of the Fifth Amendment.

" Final Maturity Date " means November 28, 2023.

" Financial Statements " means (a) the audited consolidated balance sheet of the Faneuil and FNM for the Fiscal Year ended September 30, 2014, and the related consolidated statement of operations, shareholders' equity and cash flows for the Fiscal Year then ended, (b) the unaudited consolidated balance sheet of the Parent and its Subsidiaries (other than PCC and its Subsidiaries) for the 6 months ended March 31, 2015, and the related consolidated statement of operations and cash flows for the 6 months then ended, and (c) monthly balance sheet of each of Faneuil, FNM and PCC for each fiscal month ended January 31, 2015, February 28, 2015, March 31, 2015, April 30, 2015 and May 31, 2015, and the related statement of operations and cash flows for the fiscal month then ended.

" First Amendment " means the First Amendment to Financing Agreement, dated as of July 18, 2016, among the Borrowers, the Guarantors, the Agents and the Lenders party thereto.

" First Amendment Disbursement Letter " means a disbursement letter, in form and substance reasonably satisfactory to the Collateral Agent, by and among the Loan Parties, the Agents, the Lenders and the other Persons party thereto, and the related funds flow memorandum describing the sources and uses of all cash payments in connection with the transactions contemplated to occur on the First Amendment Effective Date.

" First Amendment Effective Date " has the meaning specified therefor in Section 5 of the First Amendment.

" Fiscal Year " means the fiscal year of the Parent and its Subsidiaries ending on September 30 of each year.

" Fixed Charge Coverage Ratio " means, with respect to any Person for any period, the ratio of (a) Adjusted Consolidated EBITDA of such Person and its Subsidiaries for such period, to (b) the sum of (i) all principal of Indebtedness of such Person and its Subsidiaries scheduled to be paid or prepaid during such period (excluding (x) for the avoidance of doubt payments under Section 2.05 and (y) the principal amount of the Term Loan due on the last day of the fiscal quarter ending September 30, 2019, to the extent paid with the proceeds of Qualified Equity Interests) to the extent there is an equivalent permanent reduction in the commitments thereunder, plus (ii) Consolidated Net Interest Expense of such Person and its Subsidiaries for such period, plus (iii) income taxes paid or payable by such Person and its Subsidiaries during such period, plus (iv) cash dividends or distributions paid, or the purchase, redemption or other acquisition or retirement for value (including in connection with any merger or consolidation), by such Person or any of its Subsidiaries, in respect of the Equity Interests of such Person or any of its Subsidiaries (other than dividends or distributions paid by a Loan Party to any other Loan Party) during such period, plus (v) all management, consulting, monitoring, and advisory fees paid by such Person or any of its Subsidiaries to any of its Affiliates during such period (other than reasonable salaries paid to officers in the ordinary course of business in an aggregate amount not to exceed \$750,000 in any Fiscal Year), plus (vi) unfinanced Capital Expenditures made by such Person and its Subsidiaries during such period. The amounts described in clause (b) above (other than (b)(iii)) shall be calculated on an Annualized Basis. For purposes of this definition, "Annualized Basis" shall mean with respect to calculating an amount (i) for the fiscal quarter ending December 31, 2015, such amount for the consecutive 3 month period ending December 31, 2015 *times* four (4), (ii) for the fiscal quarter ending March 31, 2016, such amount for the consecutive 6 month period ending March 31, 2016 *times* two (2), (iii) for the fiscal quarter ending June 30, 2016, such amount for the consecutive 9 month period ending June 30, 2016 *times* four-thirds (4/3), and (iv) for the fiscal quarter ending on September 30, 2016 and each period thereafter, such amount for the 12 consecutive fiscal months then ending. The amount described in clause (b)(iii) for the first 6 months of the calendar year ending December 31, 2015 shall be deemed to be as follows: (A) fiscal month ended January 31, 2015, \$0, (B) fiscal month ended February 28, 2015, \$0, (C) fiscal month ended March 31, 2015, \$242,658, (D) fiscal month ended April 30, 2015, \$345,321, (E) fiscal month ended May 30, 2015, \$5,500, and (F) fiscal month ended June 30, 2015, \$208,670.

" FNM " has the meaning specified therefor in the preamble hereto

" Foreign Official " has the meaning specified therefor in Section 6.01(aa).

" Foreign Subsidiary " means any Subsidiary of the Parent that is not a Domestic Subsidiary.

" Fourth Amendment " means the Fourth Amendment to Financing Agreement, dated as of November 28, 2018, among the Borrowers, the Guarantors, the Agents and the Lenders party thereto.

" Fourth Amendment Effective Date " has the meaning specified therefor in Section 5 of the Fourth Amendment.

" Funding Losses " has the meaning specified therefor in Section 2.08.

" GAAP " means generally accepted accounting principles in effect from time to time in the United States, applied on a consistent basis, provided that for the purpose of Section 7.03 hereof and the definitions used therein, "GAAP" shall mean generally accepted accounting principles in effect on the date hereof and consistent with those used in the preparation of the Financial Statements, provided, further, that if there occurs after the date of this Agreement any change in GAAP that affects in any respect the calculation of any covenant contained in Section 7.03 hereof, the Collateral Agent and the Administrative Borrower shall negotiate in good faith amendments to the provisions of this Agreement that relate to the calculation of such covenant with the intent of having the respective positions of the Lenders and the Borrowers after such change in GAAP conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon, the covenants in Section 7.03 hereof shall be calculated as if no such change in GAAP has occurred.

" Governing Documents " means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization, and the operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture, declaration or other applicable agreement or documentation evidencing or otherwise relating to its formation or organization, governance and capitalization; and (d) with respect to any of the entities described above, any other agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization.

" Governmental Acts " has the meaning specified therefor in Section 3.09.

" Governmental Authority " means any nation or government, any foreign, Federal, state, territory, provincial, city, town, municipality, county, local or other political subdivision thereof or thereto and any department, commission, board, bureau, instrumentality, agency, authority, division, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International

Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

" Guaranteed Obligations " has the meaning specified therefor in Section 11.01.

" Guarantor " means (a) each Subsidiary of the Parent listed as a "Guarantor" on the signature pages hereto, and (b) each other Person which guarantees, pursuant to Section 7.01(b) or otherwise, all or any part of the Obligations.

" Guaranty " means (a) the guaranty of each Guarantor party hereto contained in Article XI hereof and (b) each other guaranty, in form and substance satisfactory to the Collateral Agent, made by any other Guarantor in favor of the Collateral Agent for the benefit of the Agents and the Lenders guaranteeing all or part of the Obligations.

" Hazardous Material " means (a) any element, compound or chemical that is defined, listed or otherwise classified as a contaminant, pollutant, toxic pollutant, toxic or hazardous substance, extremely hazardous substance or chemical, hazardous waste, special waste, or solid waste under Environmental Laws or that is likely to cause immediately, or at some future time, harm to or have an adverse effect on, the environment or risk to human health or safety, including, without limitation, any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in any Environmental Law and which is present in the environment in such quantity or state that it contravenes any Environmental Law; (b) petroleum and its refined products; (c) polychlorinated biphenyls; (d) any substance exhibiting a hazardous waste characteristic, including, without limitation, corrosivity, ignitability, toxicity or reactivity as well as any radioactive or explosive materials; and (e) any raw materials, building components (including, without limitation, asbestos-containing materials) and manufactured products containing hazardous substances listed or classified as such under Environmental Laws.

" Hedge Liabilities " means the liabilities of the Borrowers under any Hedging Agreement as calculated on a marked-to-market basis in accordance with GAAP.

" Hedging Agreement " means any interest rate, foreign currency, commodity or equity exchange, swap, collar, cap, floor or forward rate agreement, or other agreement or arrangement designed to protect against fluctuations in interest rates or currency, commodity or equity values (including, without limitation, any option with respect to any of the foregoing and any combination of the foregoing agreements or arrangements), and any confirmation executed in connection with any such agreement or arrangement.

" Highest Lawful Rate " means, with respect to any Agent or any Lender, the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations under laws applicable to such Agent or such Lender which are currently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

" Holdout Lender " has the meaning specified therefor in Section 12.02(b).

" Incremental Facility Amendment " has the meaning specified therefor in Section 2.13(h) .

" Incremental Term Facility " has the meaning specified therefor in Section 2.13(a).

" Incremental Term Loans " has the meaning specified therefor in Section 2.13(a).

" Indebtedness " means, with respect to any Person, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables or other accounts payable incurred in the ordinary course of such Person's business and not outstanding for more than 90 days after the date such payable was created and any earn-out, purchase price adjustment or similar obligation until such obligation appears in the liabilities section of the balance sheet of such Person); (c) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or upon which interest payments are customarily made; (d) all reimbursement, payment or other obligations and liabilities of such Person created or arising under any conditional sales or other title retention agreement with respect to property used and/or acquired by such Person, even though the rights and remedies of the lessor, seller and/or lender thereunder may be limited to repossession or sale of such property; (e) all Capitalized Lease Obligations of such Person; (f) all obligations and liabilities, contingent or otherwise, of such Person, in respect of letters of credit, acceptances and similar facilities; (g) the amount of any net obligations of such Persons under any Hedging Agreement which on any date shall be deemed to be the Swap Termination Value thereof as of such date; (h) all monetary obligations under any receivables factoring, receivable sales or similar transactions and all monetary obligations under any synthetic lease, tax ownership/operating lease, off-balance sheet financing or similar financing; (i) all Contingent Obligations; (j) all Disqualified Equity Interests; and (k) all obligations referred to in clauses (a) through (j) of this definition of another Person secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly non-recourse to such Person.

" Indemnified Matters " has the meaning specified therefor in Section 12.15.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

" Indemnitees " has the meaning specified therefor in Section 12.15.

" Individual Advance Amount " means with respect to (a) Faneuil, \$25,000,000, (b) FNM, \$25,000,000, (c) PCC, \$25,000,000, and (d) the Parent, \$0, provided, that, after the Fifth Amendment Effective Date and during the Seasonal Increase Period, with respect to (a) Faneuil, \$32,500,000, (b) FNM, \$32,500,000, (c) PCC, \$32,500,000, and (d) the Parent, \$0.

" Insolvency Proceeding " means any proceeding commenced by or against any Person under any provision of any Debtor Relief Law.

" Intellectual Property " has the meaning specified therefor in the Security Agreement.

" Intellectual Property Contracts " means all agreements concerning Intellectual Property, including without limitation license agreements, technology consulting agreements, confidentiality agreements, co-existence agreements, consent agreements and non-assertion agreements.

" Intercompany Subordination Agreement " means an Intercompany Subordination Agreement made by the Parent and its Subsidiaries in favor of the Collateral Agent for the benefit of the Agents and the Lenders, in form and substance reasonably satisfactory to the Collateral Agent.

" Interest Period " means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Reference Rate Loan to a LIBOR Rate Loan) and ending 1, 2 or 3 months thereafter; provided, however, that (a) if any Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended (subject to clauses (c)-(e) below) to the next succeeding Business Day, (b) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (c) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (d) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2 or 3 months after the date on which the Interest Period began, as applicable, and (e) the Borrowers may not elect an Interest Period which will end after the Final Maturity Date.

" Internal Revenue Code " means the Internal Revenue Code of 1986, as amended (or any successor statute thereto) and the regulations thereunder.

" Inventory " means, with respect to any Person, all goods and merchandise of such Person leased or held for sale or lease by such Person, including, without limitation, all raw materials, work-in-process and finished goods, and all packaging, supplies and materials of every nature used or usable in connection with the shipping, storing, advertising or sale of such goods and merchandise, whether now owned or hereafter acquired, and all such other property the sale or other disposition of which would give rise to an Account Receivable or cash.

" Investment " means, with respect to any Person, (a) any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances or other extensions of credit (excluding Accounts Receivable arising in the ordinary course of business), capital contributions or acquisitions of Indebtedness (including, any bonds, notes,

debentures or other debt securities), Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), (b) the purchase or ownership of any futures contract or liability for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or (c) any investment in any other items that are or would be classified as investments on a balance sheet of such Person prepared in accordance with GAAP.

" ISP98 Rules " has the meaning specified therefor in Section 3.02(b).

" Joinder Agreement " means a Joinder Agreement, substantially in the form of Exhibit A, duly executed by a Subsidiary of a Loan Party made a party hereto pursuant to Section 7.01(b).

"Junior Participant" means Jess M. Ravich.

"Junior Participation Agreement" means Junior Participation Agreement, dated as of the Fourth Amendment Effective Date, among the Junior Participant, the Collateral Agent and the Term A-2 Lenders.

"Junior Participation Interest" means the junior participation interest to be purchased by the Junior Participant in the Term A-2 Loan in accordance with the terms of the Junior Participation Agreement.

" L/C Fee Rate " means the Applicable Margin with respect to LIBOR Rate Loans.

" L/C Issuer " means PNC Bank, National Association, or such other bank as the Administrative Agent may select in its sole and absolute discretion.

" Lease " means any lease of real property to which any Loan Party or any of its Subsidiaries is a party as lessor or lessee.

" Lender " has the meaning specified therefor in the preamble hereto.

" Lender-Provided Hedge Agreement " means a Hedging Agreement which is provided by any Lender, Agent or any affiliate thereof. Except to the extent of any Excluded Hedge Liabilities, the Hedge Liabilities of the Borrowers to the provider of any Lender-Provided Hedge Agreement shall be "Obligations" hereunder, guaranteed obligations under any Guaranty and secured obligations under any Security Agreement and otherwise treated as Obligations for purposes of each of the Loan Documents. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Loan Documents, but the Persons to whom such Hedge Liabilities are owed shall not have any right to vote or take any other actions under this Agreement or the other Loan Documents; provided , that, any such Person who is an Agent or Lender shall have the right to vote or take any other actions under this Agreement or the other Loan Documents in its capacity as Agent or Lender, as applicable.

" Letter of Credit Application " has the meaning specified therefor in Section 3.02(a).

" Letter of Credit Borrowing " has the meaning specified therefor in Section 3.04(d) .

" Letter of Credit Fees " has the meaning specified therefor in Section 2.06(d).

" Letter of Credit Guaranty " means one or more guaranties by the Administrative Agent in favor of the L/C Issuer guaranteeing or relating to the Borrowers' obligations to the L/C Issuer under a reimbursement agreement, Letter of Credit Application or other like document in respect of any Letter of Credit.

" Letter of Credit Obligations " means , at any time and without duplication, the sum of (a) Reimbursement Obligations with respect to all Letters of Credit at such time plus (b) the Maximum Undrawn Amount with respect to all Letters of Credit at such time, plus (c) all amounts for which the Administrative Agent may be liable to the L/C Issuer pursuant to any Letter of Credit Guaranty with respect to any Letter of Credit.

" Letter of Credit Sublimit " means \$15,000,000.

" Letters of Credit " has the meaning specified therefor in Section 3.01.

" Leverage Ratio " means, with respect to any Person and its Subsidiaries for any period, the ratio of (a) all Indebtedness described in clauses (a), (b), (c), (d), (e) and (f) (only to the extent of drawn and unreimbursed letters of credit) in the definition thereof of such Person and its Subsidiaries as of the end of such period to (b) Adjusted Consolidated EBITDA of such Person and its Subsidiaries for such period.

" LIBOR " means for any LIBOR Rate Loan for the then current Interest Period relating thereto, the interest rate per annum determined by Administrative Agent as the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by Administrative Agent as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (a " LIBOR Alternate Source "), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the London interbank offered rate for U.S. dollars for an amount comparable to such LIBOR Rate Loan and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by Administrative Agent at such time (which determination shall be conclusive absent manifest error)). Administrative Agent shall give reasonably prompt notice to the Administrative Borrower of LIBOR as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

" LIBOR Deadline " has the meaning specified therefor in Section 2.07(a).

" LIBOR Notice " means a written notice substantially in the form of Exhibit D.

" LIBOR Option " has the meaning specified therefor in Section 2.07(a).

" LIBOR Rate " means, for each Interest Period for each LIBOR Rate Loan, the greater of (a) the rate per annum determined by the Administrative Agent (rounded upwards if necessary, to the next 1/100%) by dividing (i) LIBOR for such Interest Period by (ii) 100% minus the Reserve Percentage and (b) 1.0%. The LIBOR Rate shall be adjusted on and as of the effective day of any change in the Reserve Percentage.

" LIBOR Rate Loan " means each portion of a Loan that bears interest at a rate determined by reference to the LIBOR Rate.

" Lien " means any mortgage, deed of trust, pledge, lien (statutory or otherwise), security interest, charge or other encumbrance or security or preferential arrangement of any nature, including, without limitation, any conditional sale or title retention arrangement, any Capitalized Lease and any assignment, deposit arrangement or financing lease intended as, or having the effect of, security.

" Loan " means the Term Loan or any Revolving Loan made by an Agent or a Lender to the Borrowers pursuant to Article II hereof.

" Loan Account " means an account maintained hereunder by the Administrative Agent on its books of account at the Payment Office, and with respect to the Borrowers, in which the Borrowers will be charged with all Loans made to, and all other Obligations incurred by, the Borrowers.

" Loan Document " means this Agreement, the PCC Acquisition Collateral Assignment, the Color Optics Acquisition Collateral Assignment, the Realtime Acquisition Collateral Assignment, any Control Agreement, the Disbursement Letter, the First Amendment Disbursement Letter, the Fee Letter, any Guaranty, the Intercompany Subordination Agreement, any Joinder Agreement, any Letter of Credit Application, the Moore-Langen Acquisition Collateral Assignment, any Mortgage, the Third Amendment Disbursement Letter, any Security Agreement, any UCC Filing Authorization Letter, the Vertex Acquisition Collateral Assignment, any landlord waiver, any collateral access agreement, any Perfection Certificate and any other agreement, instrument, certificate, report and other document executed and delivered pursuant hereto or thereto or otherwise evidencing or securing any Loan, any Letter of Credit Obligation or any other Obligation.

" Loan Party " means any Borrower and any Guarantor.

" Material Adverse Effect " means a material adverse effect on any of (a) the condition (financial or otherwise), business, operations, assets or liabilities of the Loan Parties taken as a whole, (b) the ability of the Loan Parties taken as a whole to perform any of their payment or other material obligations under any Loan Document, (c) the legality, validity or enforceability of this Agreement or any other Loan Document, (d) the rights and remedies of any Agent or any Lender under any Loan Document, or (e) the validity, perfection or priority of a Lien in favor of the Collateral Agent for the benefit of the Agents and the Lenders on Collateral having a fair market value in excess of \$1,000,000.

" Material Contract " means, with respect to any Person, (a) each contract or agreement to which such Person or any of its Subsidiaries is a party involving aggregate

consideration payable to or by such Person or such Subsidiary of \$1,500,000 or more in any Fiscal Year (other than purchase orders in the ordinary course of the business of such Person or such Subsidiary and other than contracts that by their terms may be terminated by such Person or Subsidiary in the ordinary course of its business upon less than 60 days' notice without penalty or premium) and (b) all other contracts or agreements as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could reasonably be expected to have a Material Adverse Effect.

" Maximum Face Amount " means, with respect to any outstanding Letter of Credit, the face amount of such Letter of Credit including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

" Maximum Undrawn Amount " means, with respect to any outstanding Letter of Credit, the amount of such Letter of Credit that is or may become available to be drawn, including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

" Moody's " means Moody's Investors Service, Inc. and any successor thereto.

" Moore-Langen " means Moore-Langen Printing Company, Inc., an Indiana corporation.

" Moore-Langen Acquisition " means the acquisition of all of the "Transferred Assets" pursuant to, and as defined in, the Moore-Langen APA.

" Moore-Langen Acquisition Collateral Assignment " means the Collateral Assignment of Acquisition Documents, dated as of the Third Amendment Effective Date, and in form and substance satisfactory to the Collateral Agent, made by PCC in favor of the Collateral Agent.

" Moore-Langen APA " means the Asset Purchase Agreement, dated as of September 20, 2017, between PCC, as buyer, Moore-Langen, as seller, and LSC Communications, Inc., as parent.

" Moore-Langen Disbursements " has the meaning specified thereof in Section 6.01(s).

" Mortgage " means a mortgage (including, without limitation, a leasehold mortgage), deed of trust or deed to secure debt, in form and substance satisfactory to the Collateral Agent, made by a Loan Party in favor of the Collateral Agent for the benefit of the Agents and the Lenders, securing the Obligations and delivered to the Collateral Agent.

" Multiemployer Plan " means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Loan Party or any of its ERISA Affiliates has contributed, or has been obligated to contribute, to at any time during the preceding 6 years.

" Net Amount of Eligible Accounts Receivable " means the aggregate unpaid invoice amount of Eligible Accounts Receivable less, without duplication, sales, excise or

similar taxes, returns, discounts, chargebacks, claims, advance payments, credits and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect to such Eligible Accounts Receivable.

" Net Cash Proceeds " means, with respect to, any issuance or incurrence of any Indebtedness, any Equity Issuance, any Disposition or the receipt of any Extraordinary Receipts by any Person or any of its Subsidiaries, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of such Person or such Subsidiary, in connection therewith after deducting therefrom only (a) in the case of any Disposition or the receipt of any Extraordinary Receipts consisting of insurance proceeds or condemnation awards, the amount of any Indebtedness secured by any Permitted Lien on any asset (other than Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection therewith (other than Indebtedness under this Agreement), (b) reasonable expenses related thereto incurred by such Person or such Subsidiary in connection therewith, (c) transfer taxes paid to any taxing authorities by such Person or such Subsidiary in connection therewith, and (d) net income taxes to be paid in connection therewith (after taking into account any tax credits or deductions and any tax sharing arrangements), in each case, to the extent, but only to the extent, that the amounts so deducted are (i) actually paid to a Person that, except in the case of reasonable out-of-pocket expenses, is not an Affiliate of such Person or any of its Subsidiaries and (ii) properly attributable to such transaction or to the asset that is the subject thereof.

" New Facility " has the meaning specified therefor in Section 7.01(m).

" New Lending Office " has the meaning specified therefor in Section 2.09(d).

" Non-Qualifying Party " means any Loan Party that on the Eligibility Date fails for any reason to qualify as an Eligible Contract Participant.

" Non-U.S. Lender " has the meaning specified therefor in Section 2.09(d).

" Notice of Borrowing " has the meaning specified therefor in Section 2.02(a).

" Obligations " means all present and future indebtedness, obligations, and liabilities of each Loan Party to the Agents and the other Secured Parties arising under or in connection with this Agreement or any other Loan Document, whether or not the right of payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured, unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 9.01. Without limiting the generality of the foregoing, the Obligations of each Loan Party under the Loan Documents include (a) the obligation (irrespective of whether a claim therefor is allowed in an Insolvency Proceeding) to pay principal, interest, charges, expenses, fees, premiums including the Applicable Premium, attorneys' fees and disbursements, indemnities and other amounts payable by such Person under the Loan Documents, (b) the obligation of such Person to reimburse any amount in respect of any of the foregoing that any Agent or any Lender (in its sole discretion) may elect to pay or advance on behalf of such Person

and (c) the Bank Product Obligations . Notwithstanding any of the foregoing, Obligations shall not include any Excluded Hedge Liabilities.

" OFAC Sanctions Programs " means (a) the Requirements of Law and Executive Orders administered by OFAC, including, without limitation, Executive Order No. 13224, and (b) the list of Specially Designated Nationals and Blocked Persons administered by OFAC, in each case, as renewed, extended, amended, or replaced.

" Operating Accounts " means the Cash Management Accounts which are designated as "operating accounts" on Schedule 8.01.

" Order " has the meaning specified therefor in Section 3.10.

" Original Term Loan Commitment " means, with respect to each Lender, the commitment of such Lender to make the Original Term Loan to the Borrowers on the Effective Date in the amount set forth in Schedule 1.01(A) hereto or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such commitment may be terminated or reduced from time to time in accordance with the terms of this Agreement.

" Original Term Loans " means the Term Loans made by the Lenders to the Borrowers on the Effective Date.

" Other Connection Taxes " means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

" Other Taxes " means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

" Parent " has the meaning specified therefor in the preamble hereto.

" Parent Buybacks " has the meaning specified therefor in the definition of Permitted Restricted Payments.

" Participant Register " has the meaning specified therefor in Section 12.07(i).

" Participation Commitment " means each Revolving Loan Lender's obligation to buy a participation of the Letters of Credit issued hereunder.

" Participation Revolving Loan " has the meaning specified therefor in Section 3.04(c) hereof.

" Payment Office " means the Administrative Agent ' s office located at Two Tower Center Boulevard, East Brunswick, New Jersey 08816, or at such other office or offices of the Administrative Agent as may be designated in writing from time to time by the Administrative Agent to the Collateral Agent and the Administrative Borrower.

" PBGC " means the Pension Benefit Guaranty Corporation or any successor thereto.

" PCC " has the meaning specified therefor in the preamble hereto.

" PCC Acquisition " means the acquisition of all of the Equity Interests of PCC by the Parent pursuant to the PCC Acquisition Agreement.

" PCC Acquisition Agreement " means the Purchase Agreement, dated July 11, 2015, by and between the Parent, Visant Corporation and Visant Holding Corp., as in effect on the date hereof.

" PCC Acquisition Assets " means all of the Equity Interests, property and assets (tangible and intangible) proposed to be purchased by Parent pursuant to the PCC Acquisition Agreement.

" PCC Acquisition Collateral Assignment " means the Collateral Assignment of Acquisition Documents, dated as of the date hereof, and in form and substance satisfactory to the Collateral Agent, made by Parent in favor of the Collateral Agent.

" PCC Acquisition Documents " means the PCC Acquisition Agreement and all other agreements, instruments and other documents related thereto or executed in connection therewith.

" Perfection Certificate " means a certificate in form and substance satisfactory to the Collateral Agent providing information with respect to the property of each Loan Party.

" Permitted Discretion " means, as applicable, the Collateral Agent's or Administrative Agent's good faith and reasonable (from the perspective of an asset based lender in credit facilities of the type contemplated hereby) business judgment and consistent with the applicable Agent's customary practices in asset based credit facilities of the type contemplated hereby.

" Permitted Disposition " means:

(a) sale of Inventory in the ordinary course of business ;

(b) licensing, on a non-exclusive basis, Intellectual Property rights in the ordinary course of business;

(c) leasing or subleasing assets in the ordinary course of business;

(d) (i) the lapse of Registered Intellectual Property of the Parent and its Subsidiaries to the extent not economically desirable in the conduct of their business or (ii) the

abandonment of Intellectual Property rights in the ordinary course of business so long as (in each case under clauses (i) and (ii)), (A) with respect to copyrights, such copyrights are not material revenue generating copyrights, and (B) such lapse is not materially adverse to the interests of the Secured Parties ;

(e) any involuntary loss, damage or destruction of property;

(f) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(g) so long as no Event of Default has occurred and is continuing or would result therefrom, transfers of assets (i) from a Loan Party to another Loan Party, and (ii) from any Subsidiary of the Parent that is not a Loan Party to any other Subsidiary of the Parent;

(h) Disposition of (i) obsolete or worn-out equipment in the ordinary course of business or (ii) property which any Loan Party in good faith determines is no longer used or useful in the conduct of the business of such Loan Party;

(i) Disposition of property or assets not otherwise permitted in clauses (a) through (h) above for cash in an aggregate amount not less than the fair market value of such property or assets; and

(j) Disposition of the Facility located in Carmel, New York;

provided that the Net Cash Proceeds of such Dispositions (including the proposed Disposition) (1) in the case of clauses (h) and (i) above, do not exceed \$500,000 in the aggregate in any Fiscal Year and (2) in all cases (except the Disposition within one year of the Effective Date of the Facility located in Carmel, New York) are paid to the Administrative Agent for the benefit of the Agents and the Lenders pursuant to the terms of Section 2.05(c)(ii) or applied as provided in Section 2.05(c)(vi).

" Permitted Holder " means Jess M. Ravich or any Specified Party.

" Permitted Indebtedness " means:

1. any Indebtedness owing to any Agent or any Lender under this Agreement and the other Loan Documents;
2. any other Indebtedness listed on Schedule 7.02(b), and any Permitted Refinancing Indebtedness in respect of such Indebtedness;
3. Permitted Purchase Money Indebtedness and any Permitted Refinancing Indebtedness in respect of such Indebtedness;
4. Permitted Intercompany Investments;
5. Indebtedness incurred in the ordinary course of business under performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees and

similar obligations (other than obligations for the payment of borrowed money or other Indebtedness) or in respect of worker ' s compensation claims, and reimbursement obligations in respect of any of the foregoing;

6. Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Loan Parties, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the period in which such Indebtedness is incurred and such Indebtedness is outstanding only during such period;

7. the incurrence by any Loan Party of Indebtedness under Hedging Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with such Loan Party's operations and not for speculative purposes;

8. Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards") or other similar cash management services, in each case, incurred in the ordinary course of business;

9. Subordinated Indebtedness;

10. the Milestone Payments (as defined in the Realtime MIPA) pursuant to and in accordance with the Realtime MIPA, in an aggregate amount not to exceed \$7,500,000, provided, that, the payments of such Milestone Payments shall not exceed (i) \$2,500,000 for the period commencing on the Effective Date (as defined in the Realtime MIPA) and ending September 30, 2020, (ii) \$2,500,000 for the twelve (12) month period ended September 30, 2021 and (iii) \$2,500,000 for the twelve (12) month period ended September 30, 2022, to be paid, if applicable, on or before the March 31st following the applicable measurement period set forth in clauses (i) – (iii) above, provided, further, that, in each case, (w) no Default or Event of Default has occurred and is continuing or would result from such payment, (x) unless such Milestone Payment is financed through an Equity Issuance, both immediately before and after giving effect to such payment, Availability plus Qualified Cash is equal to or greater than \$10,000,000, (y) unless such Milestone Payment is financed through an Equity Issuance, both immediately before and after giving effect to such payment, the Leverage Ratio of the Parent and its Subsidiaries is equal to or less than 0.25 below the then applicable Leverage Ratio level set forth in Section 7.03(a) and (z) the Collateral Agent shall have received a certificate of the chief financial officer of Parent, certifying that the applicable conditions set forth in clauses (w), (x) and (y) have been satisfied (together with supporting calculations), which such certificate shall be delivered no later than three (3) Business Days prior to the date of such payment;

11. Indebtedness in respect of the Specified Letter of Credit in the undrawn face amount not to exceed \$1,000,000 at any time outstanding;

12. unsecured Indebtedness of the Parent owing to former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in

connection with the repurchase by the Parent of the common Equity Interests of the Parent that has been issued to such Persons, so long as (i) such repurchase is permitted under Section 7.02(h) , (ii) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (iii) the aggregate amount of all such Indebtedness incurred pursuant to this clause (I) , together with the aggregate amount of all Restricted Payments made pursuant to clause (b) of the definition of Permitted Restricted Payments, does not exceed \$ 5 00,000 at any time outstanding , and (iv) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to the Collateral Agent ;

13. unsecured guarantees by any Borrower arising with respect to customary agreements entered into by the other Loan Parties in the ordinary course of business and not otherwise prohibited by the terms of this Agreement; and

14. Indebtedness incurred in respect of any overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearinghouse transfers of funds, so long as such Indebtedness is repaid in full within 3 Business Days of the incurrence thereof and does not exceed \$1,000,000 at any time outstanding.

" Permitted Intercompany Investments ." means Investments made by (a) a Loan Party to or in another Loan Party, (b) a Subsidiary that is not a Loan Party to or in another Subsidiary that is not a Loan Party, (c) a Subsidiary that is not a Loan Party to or in a Loan Party, so long as, in the case of a loan or advance, the parties thereto are party to the Intercompany Subordination Agreement, and (d) a Loan Party to or in a Subsidiary that is not a Loan Party so long as (i) the aggregate amount of all such Investments made by the Loan Parties to or in Subsidiaries that are not Loan Parties does not exceed \$1,000,000 at any time outstanding, (ii) no Default or Event of Default has occurred and is continuing either before or after giving effect to such Investment, and (iii) the Borrowers have Excess Availability plus Qualified Cash of not less than \$10,000,000 after giving effect to such Investment.

" Permitted Investments ." means:

1. Investments in cash and Cash Equivalents;
2. Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;
3. advances made in connection with purchases of goods or services in the ordinary course of business;
4. Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries;
5. Investments existing on the date hereof, and Investments which are committed to be made pursuant to a definitive agreement or binding commitment existing on the Effective Date, in each case as set forth on Schedule 7.02(e) hereto, but not any increase in

the amount thereof as set forth in such Schedule or any other modification of the terms thereof (except for any increase in value thereof) ;

6. Permitted Intercompany Investments;

7. Investments constituting loans and advances by any Borrower and its Subsidiaries to their respective employees, officers and directors in the ordinary course of business in an aggregate amount not to exceed \$500,000 at any time outstanding;

8. payroll, commissions, travel and similar advances made to employees to cover matters that are expected at the time of such advances to be treated as expenses of the Parent and its Subsidiaries for accounting purposes and that are made in the ordinary course of business in an aggregate amount not to exceed \$300,000 at any time outstanding;

9. Investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with any Borrower or any of its Subsidiaries so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger and were in existence on the date of such event;

10. to the extent constituting Investments, Capital Expenditures permitted pursuant to Section 7.02(g);

11. the Realtime Acquisition; and

12. so long as no Default or Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed \$3,000,000 at any time outstanding.

" Permitted Liens " means:

1. Liens securing the Obligations;

2. Liens for taxes, assessments and governmental charges the payment of which is not required under Section 7.01(c)(iii);

3. Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's and other similar Liens arising in the ordinary course of business and securing obligations (other than Indebtedness for borrowed money) that are not overdue by more than 30 days or are being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, and a reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor;

4. Liens described on Schedule 7.02(a), provided that any such Lien shall only secure the Indebtedness that it secures on the Effective Date and any Permitted Refinancing Indebtedness in respect thereof;

5. purchase money Liens on equipment and other fixed or capital assets acquired, constructed, improved or held by any Loan Party or any of its Subsidiaries in the

ordinary course of its business to secure Permitted Purchase Money Indebtedness so long as such Lien only (i) attaches to such property and (ii) secures the Indebtedness that was incurred to acquire such property or any Permitted Refinancing Indebtedness in respect thereof;

6. deposits and pledges of cash securing (i) obligations incurred in respect of workers' compensation, unemployment insurance and other general liability insurance obligations, other social security laws and regulations or other forms of governmental insurance or benefits, (ii) the performance of bids, tenders, leases, contracts (other than for the payment of money) and statutory obligations or (iii) obligations on surety, appeal bonds, performance bonds and other obligations of similar nature, but only to the extent such deposits or pledges are made or otherwise arise in the ordinary course of business and secure obligations not past due;

7. with respect to any Facility, easements, zoning restrictions and similar encumbrances on real property and minor irregularities in the title thereto that (i) do not (A) secure obligations for the payment of money or (B) materially impair the value of such property or its use by any Loan Party or any of its Subsidiaries in the normal conduct of such Person's business or (ii) are disclosed in the applicable Title Insurance Policy provided to and accepted by the Collateral Agent;

8. Liens of landlords and mortgagees of landlords (i) arising by statute or under any lease or related Contractual Obligation entered into in the ordinary course of business, (ii) on fixtures and movable tangible property located on the real property leased or subleased from such landlord, or (iii) for amounts not yet due or that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves or other appropriate provisions are maintained on the books of such Person in accordance with GAAP;

9. the title and interest of a lessor or sublessor in and to personal property leased or subleased (other than through a Capitalized Lease), in each case extending only to such personal property;

10. non-exclusive licenses of Intellectual Property rights in the ordinary course of business;

11. judgment liens (other than for the payment of taxes, assessments or other governmental charges) securing judgments and other proceedings not constituting an Event of Default under Section 9.01(j);

12. rights of set-off or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business;

13. Liens on Faneuil's deposit account maintained at M&T Bank (account number 98597 16558) (the "Pledged M&T Account") securing the Specified Letter of Credit permitted to be incurred pursuant to clause (k) of the definition of Permitted Indebtedness; provided, that the amount on deposit in the Pledged M&T Account does not exceed \$1,200,000 at any time;

14. Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness; and

15. to the extent constituting Liens, the filing of Uniform Commercial Code financing statements solely as a precautionary measure in connection with operating leases or consignment of goods;

16. Liens granted to SureTec Insurance Company, SureTec Indemnity Company, Argonaut Insurance Company and Rockwood Casualty Insurance Company (collectively, the "Specified Insurance Companies") pursuant to the General Agreement of Indemnity, dated as of July 31, 2014, by the Parent and FNM (the "SureTec Indemnity Agreement") to secure the obligations of the Parent and FNM arising under, or in connection, with the bonds issued by the Specified Insurance Companies or otherwise under the SureTec Indemnity Agreement; provided that the aggregate stated or principal amount of obligations secured by such Liens does not exceed \$2,000,000 at any time; and

17. other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed \$1,000,000.

" Permitted Purchase Money Indebtedness " means, as of any date of determination, Indebtedness (other than the Obligations, but including Capitalized Lease Obligations) incurred to finance the acquisition of any fixed assets secured by a Lien permitted under clause (e) of the definition of "Permitted Liens"; provided that (a) such Indebtedness is incurred within 60 days after such acquisition, (b) such Indebtedness when incurred shall not exceed the purchase price of the asset financed and (c) the aggregate principal amount of all such Indebtedness shall not exceed \$4,500,000 incurred in any calendar year.

" Permitted Refinancing Indebtedness " means the extension of maturity, refinancing or modification of the terms of Indebtedness so long as:

1. after giving effect to such extension, refinancing or modification, the amount of such Indebtedness is not greater than the principal amount of Indebtedness outstanding immediately prior to such extension, refinancing or modification (other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto);

2. such extension, refinancing or modification does not result in a shortening of the average weighted maturity (measured as of the extension, refinancing or modification) of the Indebtedness so extended, refinanced or modified;

3. such extension, refinancing or modification is pursuant to terms that are not less favorable, taken as a whole, to the Loan Parties and the Lenders than the terms of the Indebtedness (including, without limitation, terms relating to the collateral (if any) and subordination (if any)) being extended, refinanced or modified; and

4. the Indebtedness that is extended, refinanced or modified is not recourse to any Loan Party or any of its Subsidiaries that is liable on account of the obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended.

" Permitted Restricted Payments " means any of the following Restricted Payments made by:

1. any Subsidiary of any Borrower to such Borrower,

2. so long as no Default or Event of Default shall have occurred and be continuing either before or after giving effect to such payment, any Subsidiary to the Parent (and the Parent shall use such Restricted Payments) for the repurchase, retirement or other acquisition or retirement for value of the Parent's common Equity Interests held by any future, present or former employee, director, manager, officer or consultant (or any Affiliates, spouses, former spouses, other immediate family members, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Parent or any of its Subsidiaries pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of the Parent or any Subsidiary; provided that the aggregate amounts of all such payments made pursuant to this clause (b), together with the aggregate amount of all Indebtedness incurred under clause (l) of the definition of Permitted Indebtedness, shall not, in the aggregate, exceed \$500,000 during the term of this Agreement;

3. any Subsidiary to the Parent (and the Parent shall use such Restricted Payments) for the repurchase, retirement or other acquisition or retirement for value of the Parent's common Equity Interests (other than such repurchase, retirement or other acquisition or retirement for value described in clause (b) above, the " Parent Buybacks ") so long as (i) the aggregate amount paid by Parent in connection with all Parent Buybacks shall not exceed \$2,000,000 in any Fiscal Year, (ii) Excess Availability plus Qualified Cash after giving effect to any Parent Buyback shall exceed \$10,000,000, (iii) the Administrative Borrower shall have delivered a certificate of the chief financial officer of the Administrative Borrower, demonstrating on a pro forma basis, as of the end of the most recently ended fiscal quarter for which internally prepared financial statements are available and for the 12 calendar months (on a quarter-by-quarter basis) following the proposed Parent Buyback, that the Leverage Ratio for the Parent and its Subsidiaries is less than 2.75:1.00 and (iv) no Default or Event of Default shall have occurred and be continuing at the time of any Parent Buyback or would result therefrom; and

4. the Parent to pay dividends in the form of common Equity Interests.

" Permitted Specified Liens " means Permitted Liens described in clauses (a), (b) and (c) of the definition of Permitted Liens, and, solely in the case of Section 7.01(b)(i), including clauses (g), (h) and (i) of the definition of Permitted Liens.

" Person " means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other enterprise or entity or Governmental Authority.

" Petty Cash Accounts " means Cash Management Accounts with deposits at any time in an aggregate amount not in excess of \$50,000 for any one account and \$300,000 in the aggregate for all such accounts.

" Phoenix Office Location " means the Facility owned by Phoenix (Md.) Realty, LLC and located at 18249 Phoenix Drive, Hagerstown, MD.

" Plan " means any Employee Plan or Multiemployer Plan.

" Post-Default Rate " means a rate of interest per annum equal to the rate of interest otherwise in effect from time to time pursuant to the terms of this Agreement plus 2.0%, or, if a rate of interest is not otherwise in effect, interest at the highest rate specified herein for any Loan then outstanding prior to an Event of Default plus 2.0%.

" Pro Forma Consolidated EBITDA " means the Consolidated EBITDA of the Parent and its Subsidiaries (after giving effect to the consummation of the PCC Acquisition) for the most recently ended four-quarter period as of the Effective Date, with such adjustments as are reasonably acceptable to the Collateral Agent.

" Pro Forma Leverage Ratio " means (a) all Indebtedness described in clauses (a), (b), (c), (d), (e) and (f) in the definition thereof of the Parent and its Subsidiaries (after giving effect to the consummation of the PCC Acquisition) to (b) Pro Forma Consolidated EBITDA.

" Pro Rata Share " means, with respect to:

1. (i) a Lender's obligation to make Revolving Loans and the right to receive payments of interest, fees, and principal with respect thereto and (ii) a Lender's obligation to participate in Letters of Credit and Reimbursement Obligations, to reimburse the L/C Issuer, and the right to receive payments of fees with respect thereto, the percentage obtained by dividing (A) such Lender's Revolving Credit Commitment, by (B) the Total Revolving Credit Commitment, provided, that, if the Total Revolving Credit Commitment has been reduced to zero, the numerator shall be the aggregate unpaid principal amount of such Lender's Revolving Loans and its interest in the Letter of Credit Obligations and the denominator shall be the aggregate unpaid principal amount of all Revolving Loans and Letter of Credit Obligations,

2. (i) a Lender's obligation to make the Term A-2 Loan, the percentage obtained by dividing (A) such Lender's Term A-2 Loan Commitment by (B) the Total Term A-2 Loan Commitment (provided that if the Total Term A-2 Loan Commitment has been reduced to zero, the numerator shall be the aggregate unpaid principal amount of such Lender's portion of the Term A-2 Loan and the denominator shall be the aggregate unpaid principal amount of the Term A-2 Loan) and (ii) a Lender's right to receive payments of interest, fees and principal with respect to the Term Loan, the percentage obtained by dividing (A) such Lender's Term Loan Commitment by (B) the Total Term Loan Commitment (provided that if the Total Term Loan Commitment has been reduced to zero, the numerator shall be the aggregate unpaid

principal amount of such Lender's portion of the Term Loan (other than Incremental Term Loans) and the denominator shall be the aggregate unpaid principal amount of the Term Loan (other than Incremental Term Loans) ,

3. with respect to a Lender's right to receive payments of interest, fees, and principal with respect to any Incremental Term Loan, the percentage obtained by dividing (i) the aggregate unpaid principal amount of such Lender's portion of such Incremental Term Loan and (ii) the aggregate unpaid principal amount of such Incremental Term Loan,

4. with respect to Agent Advances and any Agent's or Lender's right to receive payments of interest, fees and principal with respect thereto, the percentage obtained by dividing (i) the aggregate unpaid principal amount of such Agent's or Lender's portion of Agent Advances by (ii) the aggregate unpaid principal amount of Agent Advances; and

5. all other matters (including, without limitation, the indemnification obligations arising under Section 10.05), the percentage obtained by dividing (i) the sum of such Lender's Revolving Credit Commitment and the unpaid principal amount of such Lender's portion of the Term Loan, by (ii) the sum of the Total Revolving Credit Commitment and the aggregate unpaid principal amount of the Term Loan, provided, that, if such Lender's Revolving Credit Commitment shall have been reduced to zero, such Lender's Revolving Credit Commitment shall be deemed to be the aggregate unpaid principal amount of such Lender's Revolving Loans (including Agent Advances) and its interest in the Letter of Credit Obligations and if the Total Revolving Credit Commitment shall have been reduced to zero, the Total Revolving Credit Commitment shall be deemed to be the aggregate unpaid principal amount of all Revolving Loans (including Agent Advances) and Letter of Credit Obligations.

" Process Agent " has the meaning specified therefor in Section 12.10(b).

" Projections " means financial projections of the Parent and its Subsidiaries delivered pursuant to Section 6.01(g)(ii), as updated from time to time pursuant to Section 7.01(a)(vii).

" Purchase Price " means, with respect to the PCC Acquisition, an amount equal to the sum of (a) the aggregate consideration, whether cash, property or securities (including, without limitation, the fair market value of any Equity Interests of any Loan Party or any of its Subsidiaries issued in connection with the PCC Acquisition), paid or delivered by a Loan Party or any of its Subsidiaries (whether as initial consideration or through the payment or disposition of deferred consideration, including, without limitation, in the form of seller financing, royalty payments, payments allocated towards non-compete covenants, payments to principals for consulting services or other similar payments) in connection with the PCC Acquisition, plus (b) the aggregate amount of liabilities of the acquired business (net of current assets of the acquired business) that would be reflected on a balance sheet (if such were to be prepared) of the Parent and its Subsidiaries after giving effect to the PCC Acquisition, plus (c) the aggregate amount of all transaction fees, costs and expenses incurred by the Parent or any of its Subsidiaries in connection with the PCC Acquisition.

" Qualified Cash " means, as of any date of determination, the aggregate amount of unrestricted cash on-hand of the Loan Parties maintained in deposit accounts in the name of a Loan Party in the United States as of such date, which deposit accounts are subject to Control Agreements.

" Qualified ECP Loan Party " means each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a "commodity pool" as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding \$10,000,000 or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a "letter of credit or keepwell, support, or other agreement" for purposes of Section 1a(18)(A)(v)(II) of the CEA.

" Qualified Equity Interests " means, with respect to any Person, all Equity Interests of such Person that are not Disqualified Equity Interests.

" Realtime Acquisition " means the acquisition by Faneuil of all of the Membership Interests pursuant to, and as defined in, the Realtime MIPA.

" Realtime Acquisition Collateral Assignment " means the Collateral Assignment of Acquisition Documents, dated as of the Fifth Amendment Effective Date, and in form and substance satisfactory to the Collateral Agent, made by Faneuil in favor of the Collateral Agent.

" Realtime MIPA " means the Membership Interest Purchase Agreement, dated as of July 31, 2019, between Faneuil, as purchaser, and each of Gregg L. Antenen, an individual, Richard A. Veed, an individual and Sean P. Murphy, an individual, collectively, as sellers.

" Real Property Deliverables " means each of the following agreements, instruments and other documents in respect of each Facility:

1. a Mortgage duly executed by the applicable Loan Party,
2. evidence of the recording of each Mortgage in such office or offices as may be reasonably necessary or, in the opinion of the Collateral Agent, desirable to perfect the Lien purported to be created thereby or to otherwise protect the rights of the Collateral Agent and the Lenders thereunder;
3. a Title Insurance Policy with respect to each Mortgage;
4. (i) a current ALTA survey and a surveyor's certificate, in form and substance reasonably satisfactory to the Collateral Agent, certified to the Collateral Agent and to the issuer of the Title Insurance Policy with respect thereto by a professional surveyor licensed in the state in which such Facility is located and satisfactory to the Collateral Agent or (ii) a prior survey, in form and substance reasonably satisfactory to the Collateral Agent, together with an affidavit from the applicable Loan Party certified to the issuer of the Title Insurance Policy with respect thereto that there has been no material change to such Facility since the date of such survey, if applicable, all in form and substance satisfactory to the issuer

of the Title Insurance Policy to delete the exception for such matters as a survey would show in the relevant Title Insurance Policy;

5. an opinion of counsel, reasonably satisfactory to the Collateral Agent, in the state where such Facility is located with respect to the enforceability of the Mortgage to be recorded and such other matters as the Collateral Agent may reasonably request;

6. a reasonably satisfactory ASTM 1527-00 Phase I Environmental Site Assessment (" Phase I ESA ") provided by the Borrowers to the Collateral Agent (and if recommended in the Phase I ESA and, if reasonably requested by the Collateral Agent based upon the results of such Phase I ESA and after consultation with the Parent, an ASTM 1527-00 Phase II Environmental Site Assessment) of each Facility, in form and substance and by an independent firm satisfactory to the Collateral Agent; and

7. such other agreements, instruments and other documents (including opinions of counsel) as the Collateral Agent may reasonably require.

" Recipient " means any Agent, any Lender and any L/C Issuer, as applicable.

" Reference Bank " means PNC, its successors or any other commercial bank designated by the Administrative Agent to the Administrative Borrower from time to time.

" Reference Rate " means, for any period, the greatest of (a) 3.25% per annum, (b) the Federal Funds Open Rate plus 0.50% per annum, (c) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of 1 month and shall be determined on a daily basis) plus 1.00% per annum, and (d) the rate of interest publicly announced by the Reference Bank in New York, New York from time to time as its reference rate, base rate or prime rate. The reference rate, base rate or prime rate is determined from time to time by the Reference Bank as a means of pricing some loans to its borrowers and neither is tied to any external rate of interest or index nor necessarily reflects the lowest rate of interest actually charged by the Reference Bank to any particular class or category of customers. Each change in the Reference Rate shall be effective from and including the date such change is publicly announced as being effective.

" Reference Rate Loan " means each portion of a Loan that bears interest at a rate determined by reference to the Reference Rate.

" Register " has the meaning specified therefor in Section 12.07(f).

" Registered Intellectual Property " means Intellectual Property that is issued, registered, renewed or the subject of a pending application.

" Registered Loans " has the meaning specified therefor in Section 12.07(f).

" Regular Period " means the period commencing on the fifteenth (15th) day of February of each fiscal year and ending on the thirty-first (31st) day of July of such fiscal year.

" Regulation T ", " Regulation U " and " Regulation X " mean, respectively, Regulations T, U and X of the Board or any successor, as the same may be amended or supplemented from time to time.

" Reimbursement Obligations " has the meaning specified therefor in Section 3.04(b) .

" Related Fund " means, with respect to any Person, an Affiliate of such Person, or a fund or account managed by such Person or an Affiliate of such Person.

" Related Party Assignment " has the meaning specified therefor in Section 12.07(c)(ii).

" Related Party Register " has the meaning specified therefor in Section 12.07(f).

" Release " means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping or disposing of any Hazardous Material (including the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Material) into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Materials through or in the ambient air, soil, surface or ground water, or property.

" Remedial Action " means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate or in any other way address Hazardous Materials in the indoor or outdoor environment; (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; (c) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities; or (d) perform any other actions authorized by 42 U.S.C. § 9601.

" Replacement Lender " has the meaning specified therefor in Section 12.02(b).

" Reportable Compliance Event " means that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

" Reportable Event " means an event described in Section 4043 of ERISA (other than an event not subject to the provision for 30-day notice to the PBGC under the regulations promulgated under such Section).

" Required Lenders " means Lenders whose Pro Rata Shares (calculated in accordance with clause (e) of the definition thereof) aggregate at least 50.1% .

" Requirements of Law " means, with respect to any Person, collectively, the common law and all federal, state, provincial, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, issued guidance, release, rulings, ordinances, orders, executive orders, opinions, judgments, writs, injunctions, bonds, authorizations or approvals, constitutions, decrees (including administrative or judicial precedents or authorities), award of or any settlement arrangement, by agreement, consent, or

otherwise, and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, foreign or domestic, in each case that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Reserve Percentage " means as of any day the maximum effective percentage in effect on such day as prescribed by the Board for determining the reserve requirements (including supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding.

" Reserves " means, as of any date of determination, such amounts (including, without limitation, the amount of any Bank Product Reserve and any Dilution Reserve) as the Administrative Agent may from time to time establish in its Permitted Discretion (a) to reflect events, conditions, contingencies or risks which adversely affect (i) any Collateral in the Borrowing Base or either Agent's access thereto, or (ii) the priority, perfection or enforceability of any of the security interest of the Agents or any Lender in the Collateral in the Borrowing Base, or (b) in respect of any state of facts which the Administrative Agent reasonably determines to constitute a Default or an Event of Default. The amount of any Reserve established by the Administrative Agent shall have a reasonable relationship to the event, condition or other matter which is the basis for such Reserve as determined by the Administrative Agent in its Permitted Discretion and shall not be duplicative of the amount of any other Reserve, or any reduction in the advance rate, with respect to the same events, conditions or circumstances. The Administrative Agent shall provide notice to the Administrative Borrower and the Collateral Agent of any new categories of Reserves that may be established after the date hereof and will be available to consult with the Administrative Borrower in connection with the basis for such new categories of Reserves. Notwithstanding any of the foregoing, the Administrative Agent shall not establish any Reserves with respect to core offset liability or core reconciliation variance.

" Restricted Payment " means (a) the declaration or payment of any dividend or other distribution, direct or indirect, on account of any Equity Interests of any Loan Party or any of its Subsidiaries, now or hereafter outstanding, together with any payment or distribution pursuant to a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law, (b) the making of any repurchase, redemption, retirement, defeasance, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interests of any Loan Party or any direct or indirect parent of any Loan Party, now or hereafter outstanding, (c) the making of any payment to retire, or to obtain the surrender of, any outstanding warrants, options or other rights for the purchase or acquisition of shares of any class of Equity Interests of any Loan Party, now or hereafter outstanding, (d) the return of any Equity Interests to any shareholders or other equity holders of any Loan Party or any of its Subsidiaries, or make any other distribution of property, assets, shares of Equity Interests, warrants, rights, options, obligations or securities thereto as such or (e) the payment of any management, consulting, monitoring or advisory fees or any other fees or expenses (including the reimbursement thereof by any Loan Party or any of its Subsidiaries) pursuant to any management, consulting, monitoring, advisory or other services agreement to any of the

shareholders or other equityholders of any Loan Party or any of its Subsidiaries or other Affiliates, or to any other Subsidiaries or Affiliates of any Loan Party.

" Revolver Priority Collateral " means (a) Accounts Receivable of each Loan Party that arise from the sale, leasing, assignment or other disposition of Inventory or the rendition of services, **or from the licensing of, or similar arrangements relating to, patents, trademarks, copyrights and other intellectual property in the ordinary course of business,** (b) **Collateral Records,** (c) **deposit accounts (as defined in the Uniform Commercial Code) and all amounts therein (other than amounts therein constituting identifiable Proceeds of Term Priority Collateral) of any Loan Party,** (d) **Inventory of each Loan Party,** (e) **to the extent evidencing or relating to any of the foregoing, supporting obligations, letter of credit rights, payment intangibles and documents (as each such term is defined in the Uniform Commercial Code),** and (f) all Proceeds and products (whether tangible or intangible) of the foregoing, including Proceeds of insurance covering any or all of the foregoing, in each case to the extent they relate to clauses (a) through (e) above. For the avoidance of doubt, Revolver Priority Collateral shall not include (i) **equipment** or any other asset acquired with cash proceeds thereof except to the extent such asset acquired is described in clauses (a) through (e) above, (ii) during the continuance of an Event of Default, proceeds of business interruption insurance, if any, and (iii) Proceeds of Revolving Loans (other than such Proceeds constituting Collateral described in clauses (a) through (e) above).

" Revolver Priority Collateral Proceeds " means the Proceeds of Revolver Priority Collateral.

" Revolving Credit Commitment " means, with respect to each Lender, the commitment of such Lender to make Revolving Loans to the Borrowers in the amount set forth opposite such Lender's name in Schedule 1.01(A) hereto or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such amount may be terminated or reduced from time to time in accordance with the terms of this Agreement.

" Revolving Loan " means a loan made by a Lender to the Borrowers pursuant to Section 2.01(a)(i).

" Revolving Loan Lender " means a Lender with a Revolving Credit Commitment or a Revolving Loan.

" Revolving Loan Obligations " means any Obligations with respect to the Revolving Loans (including without limitation, the principal thereof, the interest thereon, and the fees and expenses specifically related thereto).

" Sale and Leaseback Transaction " means, with respect to the Parent or any of its Subsidiaries, any arrangement, directly or indirectly, with any Person whereby the Parent or any of its Subsidiaries shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

" Sanctioned Country " means a country subject to a sanctions program maintained under any Anti-Terrorism Law.

" Sanctioned Person " means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

" Seasonal Increase Period " means the period commencing on the first (1st) day of August of each fiscal year and ending on the fourteenth (14th) day of February of the following fiscal year.

" SEC " means the Securities and Exchange Commission or any other similar or successor agency of the Federal government administering the Securities Act.

" Second Amendment " means the Second Amendment to Financing Agreement, dated as of May 26, 2017, among the Borrowers, the Guarantors, the Agents and the Lenders party thereto.

" Second Amendment Disbursement Letter " means a disbursement letter, in form and substance reasonably satisfactory to the Collateral Agent, by and among the Loan Parties, the Agents, the Lenders and the other Persons party thereto, and the related funds flow memorandum describing the sources and uses of all cash payments in connection with the transactions contemplated to occur on the Second Amendment Effective Date.

" Second Amendment Effective Date " has the meaning specified therefor in Section 5 of the Second Amendment.

" Secured Party " means any Agent, any Lender, the L/C Issuer and any Bank Product Provider.

" Securities Act " means the Securities Act of 1933, as amended, or any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

" Securitization " has the meaning specified therefor in Section 12.07(l).

" Security Agreement " means a Pledge and Security Agreement, in form and substance satisfactory to the Collateral Agent, made by a Loan Party in favor of the Collateral Agent, for the benefit of the Secured Parties, securing the Obligations.

" Settlement Period " has the meaning specified therefor in Section 2.02(d)(i) hereof.

" Solvent " means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is not less than the total amount of the liabilities of such Person, (b) the present fair salable value of the assets of such Person is not less than the

amount that will be required to pay the probable liability of such Person on its existing debts as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital.

" Specified Existing Credit Facilities " means, collectively, the credit facilities evidenced by (a) that certain Credit Agreement, dated as of September 23, 2014, among Visant Corporation, Visant Secondary Holdings Corp., the lenders from time to time party thereto and Credit Suisse AG, as administrative agent and collateral agent and (b) that certain Indenture, dated as of September 22, 2010, among Visant Corporation, the guarantors party thereto, and U.S. Bank National Association.

" Specified Disbursements " has the meaning specified thereof in Section 6.01(s).

" Specified Financing " means not less than \$5,000,000 of cash proceeds received by the Loan Parties on or before February 28, 2019 (a) in the form of Subordinated Indebtedness or (b) in consideration for the issuance by the Parent of Qualified Equity Interests, such financing to be received by the Loan Parties pursuant to definitive documents in form and substance reasonably satisfactory to the Collateral Agent.

" Specified Insurance Companies " has the meaning specified therefor in clause (p) of the definition of Permitted Liens.

" Specified Letter of Credit " means the letter of credit set forth on Schedule 1.01(C).

" Specified Party " means each of the Persons listed on Schedule 1.01(D) hereto.

" Standard & Poor's " means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

" Subordinated Indebtedness " means Indebtedness of any Loan Party the terms of which (including, without limitation, payment terms, interest rates, covenants, remedies, defaults and other material terms) are reasonably satisfactory to the Collateral Agent and the Required Lenders and which has been expressly subordinated in right of payment to all Indebtedness of such Loan Party under the Loan Documents (a) by the execution and delivery of a subordination agreement, in form and substance reasonably satisfactory to the Collateral Agent and the Required Lenders, or (b) otherwise on terms and conditions reasonably satisfactory to the Collateral Agent and the Required Lenders.

" Subsidiary " means, with respect to any Person at any date, any corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity (a) the accounts of which would be consolidated with those of such Person in such Person's consolidated financial statements if such financial statements were

prepared in accordance with GAAP or (b) of which more than 50% of (i) the outstanding Equity Interests having (in the absence of contingencies) ordinary voting power to elect a majority of the Board of Directors of such Person, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such Person. References to a Subsidiary shall mean a Subsidiary of the Parent unless the context expressly provides otherwise.

" SunTrust Account " means account number 1000050031235 maintained by Faneuil at SunTrust Bank.

" Swap " means any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder other than (a) a swap entered into on, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

" Swap Obligation " means any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender-Provided Hedge Agreement.

" Swap Termination Value " means, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreement, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark to market value(s) for such Hedging Agreement, as determined by the hedge bank party to such Hedging Agreement (or the Borrowers, if no hedge bank is party to such Hedging Agreement) in accordance with the terms thereof and in accordance with customary methods for calculating mark-to-market values under similar arrangements by the hedge bank party to such Hedging Agreement (or the Borrowers, if no hedge bank is party to such Hedging Agreement).

" Taxes " means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" Termination Date " means the first date on which all of the Obligations are paid in full in cash and the Commitments of the Lenders are terminated.

" Term A Lender " means a Lender making a Term A Loan.

" Term A Loan " means the Term A Loans made by the Term A Lenders to the Borrowers on the First Amendment Effective Date pursuant to Section 2.01(a)(iii).

" Term A Loan Commitment " means, with respect to each Term A Lender, the commitment of such Lender to make the Term A Loan to the Borrowers on the First Amendment

Effective Date in the amount set forth in Schedule 1.01(A -1) hereto or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement , as such commitment may be terminated or reduced from time to time in accordance with the terms of this Agreement.

" Term A Loan Disbursements " shall have the meaning specified therefor in Section 6.01(s).

" Term A-1 Lender " means a Lender making a Term A-1 Loan.

" Term A-1 Loan " means the Term A-1 Loans made by the Term A-1 Lenders to the Borrowers on the Third Amendment Effective Date pursuant to Section 2.01(a)(iv).

" Term A-1 Loan Commitment " means, with respect to each Term A-1 Lender, the commitment of such Lender to make its respective Term A-1 Loan to the Borrowers on the Third Amendment Effective Date in the amount set forth in Schedule 1.01(A-2) hereto or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such commitment may be terminated or reduced from time to time in accordance with the terms of this Agreement.

" Term A-1 Loan Disbursements " shall have the meaning specified therefor in Section 6.01(s).

" Term A-2 Lender " means a Lender making a Term A-2 Loan.

" Term A-2 Loan " means the Term A-2 Loans made by the Term A-2 Lenders to the Borrowers on the Fourth Amendment Effective Date pursuant to Section 2.01(a)(v).

" Term A-2 Loan Commitment " means, with respect to each Term A-2 Lender, the commitment of such Lender to make its respective Term A-2 Loan to the Borrowers on the Fourth Amendment Effective Date in the amount set forth in Schedule 1.01(A-3) hereto or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such commitment may be terminated or reduced from time to time in accordance with the terms of this Agreement.

" Termination Event " means (a) a Reportable Event with respect to any Employee Plan, (b) any event that causes any Loan Party or any of its ERISA Affiliates to incur liability under Section 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 4971 or 4975 of the Internal Revenue Code, (c) the filing of a notice of intent to terminate an Employee Plan or the treatment of an Employee Plan amendment as a termination under Section 4041 of ERISA, (d) the institution of proceedings by the PBGC to terminate an Employee Plan, or (e) any other event or condition that could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Employee Plan.

" Term Loans " means (i) the Original Term Loans made by the Term Loan Lenders to the Borrowers on the Effective Date pursuant to Section 2.01(a)(ii), (ii) the Term A Loans made by the Term A Lenders on the First Amendment Effective Date pursuant to Section 2.01(a)(iii),

(iii) the Term A-1 Loans made by the Term A-1 Lenders on the Third Amendment Effective Date pursuant to Section 2.01(a)(iv), (iv) the Term A-2 Loans made by the Term A-2 Lenders on the Fourth Amendment Effective Date pursuant to Section 2.01(a)(v) and (v) after the date on which any additional Incremental Term Loans are made by the applicable Term Loan Lenders to the Borrowers pursuant to Section 2.13, such Incremental Term Loans .

" Term Loan Commitment " means, with respect to each Lender, the Original Term Loan Commitment, the Term A Loan Commitment, the Term A-1 Loan Commitment and/or the Term A-2 Loan Commitment of such Lender.

" Term Loan Lender " means a Lender with a Term Loan Commitment or a Term Loan.

" Term Loan Obligations " means any Obligations with respect to the Term Loan (including, without limitation, the principal thereof, the interest thereon, and the fees and expenses specifically related thereto).

" Term Priority Collateral " means all Collateral other than Revolver Priority Collateral.

" Term Priority Collateral Proceeds " means the Proceeds of the Term Priority Collateral.

" Third Amendment " means the Third Amendment to Financing Agreement, dated as of October 2, 2017, among the Borrowers, the Guarantors, the Agents and the Lenders party thereto.

" Third Amendment Disbursement Letter " means a disbursement letter, in form and substance reasonably satisfactory to the Collateral Agent, by and among the Loan Parties, the Agents, the Lenders and the other Persons party thereto, and the related funds flow memorandum describing the sources and uses of all cash payments in connection with the transactions contemplated to occur on the Third Amendment Effective Date.

" Third Amendment Effective Date " has the meaning specified therefor in Section 5 of the Third Amendment.

" Title Insurance Policy " means a mortgagee's loan policy, in form and substance reasonably satisfactory to the Collateral Agent, together with all endorsements made from time to time thereto, issued to the Collateral Agent by or on behalf of a title insurance company selected by or otherwise reasonably satisfactory to the Collateral Agent, insuring the Lien created by a Mortgage in an amount and on terms and with such endorsements reasonably satisfactory to the Collateral Agent, delivered to the Collateral Agent.

" Total Commitment " means the sum of the Total Revolving Credit Commitment and the Total Term Loan Commitment.

" Total Original Term Loan Commitment " means the sum of the amounts of the Lenders' Original Term Loan Commitments.

" Total Term A Loan Commitment " means the sum of the amounts of the Term A Lenders ' Term A Loan Commitments.

Commitments.

" Total Term A-1 Loan Commitment " means the sum of the amounts of the Term A-1 Lenders' Term A-1 Loan Commitments.

" Total Revolving Credit Commitment " means the sum of the amounts of the Lenders' Revolving Credit Commitments, which amount is as of the Fifth Amendment Effective Date (i) \$25,000,000 during the Regular Period and (ii) \$32,500,000 during the Seasonal Increase Period.

" Total Term Loan Commitment " means the sum of (i) the amount of the Lenders' Original Term Loan Commitments, (ii) the amount of the Lenders' Term A Loan Commitments, (iii) the amount of the Lenders' Term A-1 Commitments and (iv) the amount of the Lenders' Term A-2 Loan Commitments.

" UCC Filing Authorization Letter " means a letter duly executed by each Loan Party authorizing the Collateral Agent to file appropriate financing statements on Form UCC-1 without the signature of such Loan Party in such office or offices as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests purported to be created by each Security Agreement and each Mortgage.

" Uniform Commercial Code " or " UCC " has the meaning specified therefor in Section 1.04.

" UCP 600 " has the meaning specified therefor in Section 3.02(b).

" Unused Line Fee " has the meaning specified therefor in Section 2.06(a).

" USA PATRIOT Act " means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001 (Title III of Pub. L. 107-56, Oct. 26, 2001)) as amended by the USA Patriot Improvement and Reauthorization Act of 2005 (Pub. L. 109-177, March 9, 2006) and as the same may have been or may be further renewed, extended, amended, or replaced.

" U.S. Person " means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

" Vertex Acquisition " means the acquisition of all of the "Transferred Assets" pursuant to, and as defined in, the Vertex APA.

" Vertex Acquisition Collateral Assignment " means the Collateral Assignment of Acquisition Documents, dated as of the Second Amendment Effective Date, and in form and substance satisfactory to the Collateral Agent, made by Faneuil in favor of the Collateral Agent.

" Vertex APA " means the Asset Purchase Agreement, dated as of May 15, 2017, between Faneuil, as buyer, and Vertex Business Services, LLC, as seller.

" WARN " has the meaning specified therefor in Section 6.01(p).

" Weighted Average Life to Maturity " means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Indebtedness into (b) the total of the product obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

" Withholding Agent " means any Loan Party and the Administrative Agent.

" Working Capital " means, at any date of determination thereof, (a) the sum, for any Person and its Subsidiaries, of (i) the unpaid face amount of all Accounts Receivable of such Person and its Subsidiaries as at such date of determination, plus (ii) the aggregate amount of prepaid expenses and other current assets of such Person and its Subsidiaries as at such date of determination (other than cash, Cash Equivalents and any Indebtedness owing to such Person or any of its Subsidiaries by Affiliates of such Person), minus (b) the sum, for such Person and its Subsidiaries, of (i) the unpaid amount of all accounts payable of such Person and its Subsidiaries as at such date of determination, plus (ii) the aggregate amount of all accrued expenses of such Person and its Subsidiaries as at such date of determination (other than the current portion of long-term debt and all accrued interest and taxes).

Section 1.02 Terms Generally . The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any right or interest in or to assets and properties of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

Section 1.03 Certain Matters of Construction . References in this Agreement to "determination" by any Agent include good faith estimates by such Agent (in the case of quantitative determinations) and good faith beliefs by such Agent (in the case of qualitative determinations). A Default or Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of

Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall " continue " or be " continuing " until such Event of Default has been waived in writing by the Required Lenders. Any Lien referred to in this Agreement or any other Loan Document as having been created in favor of any Agent, any agreement entered into by any Agent pursuant to this Agreement or any other Loan Document, any payment made by or to or funds received by any Agent pursuant to or as contemplated by this Agreement or any other Loan Document, or any act taken or omitted to be taken by any Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of the Agents and the Lenders. Wherever the phrase " to the knowledge of any Loan Party " or words of similar import relating to the knowledge or the awareness of any Loan Party are used in this Agreement or any other Loan Document, such phrase shall mean and refer to (i) the actual knowledge of a senior officer of any Loan Party or (ii) the knowledge that a senior officer would have obtained if such officer had engaged in good faith and diligent performance of such officer ' s duties, including the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Loan Party and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

Section 1.04 Accounting and Other Terms.

(a) Unless otherwise expressly provided herein, each accounting term used herein shall have the meaning given it under GAAP. For purposes of determining compliance with any incurrence or expenditure tests set forth in Section 7.01, Section 7.02 and Section 7.03, any amounts so incurred or expended (to the extent incurred or expended in a currency other than Dollars) shall be converted into Dollars on the basis of the exchange rates (as shown on the Bloomberg currency page for such currency or, if the same does not provide such exchange rate, by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Agents or, in the event no such service is selected, on such other basis as is reasonably satisfactory to the Agents) as in effect on the date of such incurrence or expenditure under any provision of any such Section that has an aggregate Dollar limitation provided for therein (and to the extent the respective incurrence or expenditure test regulates the aggregate amount outstanding at any time and it is expressed in terms of Dollars, all outstanding amounts originally incurred or spent in currencies other than Dollars shall be converted into Dollars on the basis of the exchange rates (as shown on the Bloomberg currency page for such currency or, if the same does not provide such exchange rate, by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Agents or, in the event no such service is selected, on such other basis as is reasonably satisfactory to the Agents) as in effect on the date of any new incurrence or expenditures made under any provision of any such Section that regulates the Dollar amount outstanding at any time). Notwithstanding the foregoing, (i) with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with FASB ASC 840 on the definitions

and covenants herein, GAAP as in effect on the Effective Date shall be applied and (ii) for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Parent and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) All terms used in this Agreement which are defined in Article 8 or Article 9 of the Uniform Commercial Code as in effect from time to time in the State of New York (the "Uniform Commercial Code" or the "UCC") and which are not otherwise defined herein shall have the same meanings herein as set forth therein, provided that terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as any Agent may otherwise determine.

Section 1.05 Time References. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; provided, however, that with respect to a computation of fees or interest payable to any Secured Party, such period shall in any event consist of at least one full day.

Section 1.06 Obligation to Make Payments in Dollars. All payments to be made by any Loan Party of principal, interest, fees and other Obligations under any Loan Document shall be made in Dollars in same day funds, and no obligation of any Loan Party to make any such payment shall be discharged or satisfied by any payment other than payments made in Dollars in same day funds.

ARTICLE II THE LOANS

Section 2.01 Commitments. (a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth:

(i) each Revolving Loan Lender severally agrees to make Revolving Loans to the Borrowers at any time and from time to time during the term of this Agreement, in an aggregate principal amount of Revolving Loans at any time outstanding not to exceed the amount of such Lender's Revolving Credit Commitment;

(ii) each Term Loan Lender severally agrees to make the Original Term Loan to the Borrowers on the Effective Date, in an aggregate principal amount not to exceed the amount of such Lender's Original Term Loan Commitment;

(iii) each Term A Lender severally agrees to make the Term A Loan to the Borrowers on the First Amendment Effective Date, in an aggregate principal amount not to exceed the amount of such Lender's Term A Loan Commitment;

(iv) each Term A-1 Lender severally agrees to make the Term A-1 Loan to the Borrowers on the Third Amendment Effective Date, in an aggregate principal amount not to exceed the amount of such Lender's Term A-1 Loan Commitment;

(v) each Term A-2 Lender severally agrees to make the Term A-2 Loan to the Borrowers on the Fourth Amendment Effective Date, in an aggregate principal amount not to exceed the amount of such Lender's Term A-2 Loan Commitment; and

(vi) notwithstanding anything to the contrary contained in this Section 2.01(a), the Loan Parties hereby acknowledge, confirm and agree that (1) immediately prior to the Fourth Amendment Effective Date, the outstanding principal amount of the Term Loan is equal to \$84,640,681.00 (such Indebtedness being hereinafter referred to as the "Existing Term Loan Indebtedness"), (2) such Existing Term Loan Indebtedness shall not be repaid on the Fourth Amendment Effective Date, but rather shall be continued and re-evidenced by this Agreement as a portion of the Term Loans outstanding hereunder, (3) the Term A-2 Loan made on the Fourth Amendment Effective Date shall be an amount equal to the Total Term A-2 Loan Commitment and (4) for all purposes of this Agreement and the other Loan Documents, the sum of the Existing Term Loan Indebtedness immediately prior to the Fourth Amendment Effective Date (\$84,640,681.00) and the Term A-2 Loan made on the Fourth Amendment Effective Date (\$5,000,000) shall constitute the Term Loan outstanding on the Fourth Amendment Effective Date in the principal amount of \$89,640,681.00.

(b) Notwithstanding the foregoing:

(i) The aggregate principal amount of Revolving Loans outstanding at any time to each Borrower shall not exceed the lower of (A) the difference between (x) the Individual Advance Amount of such Borrower and (y) the aggregate Letter of Credit Obligations of such Borrower and (B) the difference between (x) the then current Borrowing Base of such Borrower and (y) the aggregate Letter of Credit Obligations of such Borrower. Notwithstanding any of the foregoing, the aggregate principal amount of all Revolving Loans outstanding at any time to all Borrowers shall not exceed the Total Revolving Credit Commitment. The Revolving Credit Commitment of each Lender shall automatically and permanently be reduced to zero on the Final Maturity Date. Within the foregoing limits, the Borrowers may borrow, repay and reborrow, the Revolving Loans on or after the Effective Date and prior to the Final Maturity Date, subject to the terms, provisions and limitations set forth herein.

(ii) The aggregate principal amount of the Original Term Loan made on the Effective Date shall not exceed the Total Original Term Loan Commitment. The aggregate principal amount of the Term A Loan made on the First Amendment Effective Date shall not exceed the Total Term A Loan Commitment. The aggregate principal amount of the Term A-1 Loan made on the Third Amendment Effective Date shall not exceed the Total Term A-1 Loan Commitment. The aggregate principal amount of the Term A-2 Loan made on the Fourth Amendment Effective Date shall not exceed the Total Term A-2 Loan Commitment. Any principal amount of the Term Loan which is repaid or prepaid may not be reborrowed.

Section 2.02 Making the Loans. (a) The Administrative Borrower shall give notice to the Administrative Agent which may be given by (x) telephone or (y) in writing, in substantially the form of Exhibit C hereto (a "Notice of Borrowing") (provided, that, any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Notice of Borrowing), not later than (A) 1:00 p.m. (New York City time) on the date which is 3 Business Days prior to the date of the proposed Loan, if made as a LIBOR Rate Loan (or such

shorter period as the Administrative Agent is willing to accommodate from time to time, but in no event later than 1:00 p.m. (New York City time) on the borrowing date of the proposed Loan) or (B) 1:00 p.m. on the date of the proposed Loan, if made as a Reference Rate Loan. Any such Notice of Borrowing shall be irrevocable and shall specify (i) the applicable Borrower and principal amount of the proposed Loan, (ii) in the case of Loans requested on the Effective Date, whether such Loan is requested to be a Revolving Loan or the Term Loan, (iii) whether the Loan is requested to be a Reference Rate Loan or a LIBOR Rate Loan and, in the case of a LIBOR Rate Loan, the initial Interest Period with respect thereto, and (iv) the proposed borrowing date, which must be a Business Day, and (1) with respect to the portion of the Term Loan funded pursuant to the Total Original Term Loan Commitment must be the Effective Date, (2) with respect to the portion of the Term Loan funded pursuant to the Total Term A Loan Commitment must be the First Amendment Effective Date, (3) with respect to the portion of the Term Loan funded pursuant to the Total Term A-1 Loan Commitment must be the Third Amendment Effective Date and (4) with respect to the portion of the Term Loan funded pursuant to the Total Term A-2 Loan Commitment must be the Fourth Amendment Effective Date. The Administrative Agent and the Lenders may act without liability upon the basis of written, telecopied or telephonic notice believed by the Administrative Agent in good faith to be from the Administrative Borrower (or from any Authorized Officer thereof designated in writing purportedly from the Administrative Borrower to the Administrative Agent). Each Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic Notice of Borrowing. The Administrative Agent and each Lender shall be entitled to rely conclusively on any Authorized Officer's authority to request a Loan on behalf of the Borrowers until the Administrative Agent receives written notice to the contrary. The Administrative Agent and the Lenders shall have no duty to verify the authenticity of the signature appearing on any written Notice of Borrowing.

(a) Each Notice of Borrowing pursuant to this Section 2.02 shall be irrevocable and the Borrowers shall be bound to make a borrowing in accordance therewith. Each Revolving Loan shall be made in a minimum amount of \$100,000 and shall be in an integral multiple of \$100,000.

(b) (i) Except as otherwise provided in this Section 2.02(c), all Loans under this Agreement shall be made by the Lenders simultaneously and proportionately to their Pro Rata Shares of the Total Revolving Credit Commitment or the Total Term Loan Commitment, as the case may be, it being understood that no Lender shall be responsible for any default by any other Lender in that other Lender's obligations to make a Loan requested hereunder, nor shall the Commitment of any Lender be increased or decreased as a result of the default by any other Lender in that other Lender's obligation to make a Loan requested hereunder, and each Lender shall be obligated to make the Loans required to be made by it by the terms of this Agreement regardless of the failure by any other Lender.

(i) Notwithstanding any other provision of this Agreement, and in order to reduce the number of fund transfers among the Borrowers, the Agents and the Lenders, the Borrowers, the Agents and the Lenders agree that the Administrative Agent may (but shall not be obligated to), and the Borrowers and the Lenders hereby irrevocably authorize the Administrative Agent to, fund, on behalf of the Revolving Loan Lenders, Revolving Loans pursuant to Section 2.01, subject to the procedures for settlement set forth in Section 2.02(d); provided, however, that (A) the Administrative Agent shall in no event fund any such Revolving Loans if the Administrative Agent shall have received written notice from the Collateral Agent or the Required

Lenders on the Business Day prior to the date of the proposed Revolving Loan that one or more of the conditions precedent contained in Section 5.02 will not be satisfied at the time of the proposed Revolving Loan, and (B) the Administrative Agent shall not otherwise be required to determine that, or take notice whether, the conditions precedent in Section 5.02 have been satisfied. If the Administrative Borrower gives a Notice of Borrowing requesting a Revolving Loan and the Administrative Agent elects not to fund such Revolving Loan on behalf of the Revolving Loan Lenders, then promptly after receipt of the Notice of Borrowing requesting such Revolving Loan, the Administrative Agent shall notify each Revolving Loan Lender of the specifics of the requested Revolving Loan and that it will not fund the requested Revolving Loan on behalf of the Revolving Loan Lenders. If the Administrative Agent notifies the Revolving Loan Lenders that it will not fund a requested Revolving Loan on behalf of the Revolving Loan Lenders, each Revolving Loan Lender shall make its Pro Rata Share of the requested Revolving Loan available to the Administrative Agent, in immediately available funds, in the Administrative Agent ' s Account no later than 3:00 p.m. (New York City time) (provided that the Administrative Agent requests payment from such Revolving Loan Lender not later than 1:00 p.m. (New York City time)) on the date of the proposed Revolving Loan. The Administrative Agent will make the proceeds of such Revolving Loans available to the Borrowers on the day of the proposed Revolving Loan by causing an amount, in immediately available funds, equal to the proceeds of all such Revolving Loans received by the Administrative Agent in the Administrative Agent ' s Account or the amount funded by the Administrative Agent on behalf of the Revolving Loan Lenders to be deposited in an account designated by the Administrative Borrower.

(ii) If the Administrative Agent has notified the Revolving Loan Lenders that the Administrative Agent, on behalf of the Revolving Loan Lenders, will not fund a particular Revolving Loan pursuant to Section 2.02(c)(ii), the Administrative Agent may assume that each such Revolving Loan Lender has made such amount available to the Administrative Agent on such day and the Administrative Agent, in its sole discretion, may, but shall not be obligated to, cause a corresponding amount to be made available to the Borrowers on such day. If the Administrative Agent makes such corresponding amount available to the Borrowers and such corresponding amount is not in fact made available to the Administrative Agent by any such Revolving Loan Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Revolving Loan Lender together with interest thereon, for each day from the date such payment was due until the date such amount is paid to the Administrative Agent, at the Federal Funds Effective Rate for 3 Business Days and thereafter at the Reference Rate. During the period in which such Revolving Loan Lender has not paid such corresponding amount to the Administrative Agent, notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, the amount so advanced by the Administrative Agent to the Borrowers shall, for all purposes hereof, be a Revolving Loan made by the Administrative Agent for its own account. Upon any such failure by a Revolving Loan Lender to pay the Administrative Agent, the Administrative Agent shall promptly thereafter notify the Administrative Borrower of such failure and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent for its own account.

(iii) Nothing in this Section 2.02(c) shall be deemed to relieve any Revolving Loan Lender from its obligations to fulfill its Revolving Credit Commitment hereunder or to prejudice any rights that the Administrative Agent or the Borrowers may have against any Revolving Loan Lender as a result of any default by such Revolving Loan Lender hereunder.

(c) (i) With respect to all periods for which the Administrative Agent has funded Revolving Loans pursuant to Section 2.02(c) , on Friday of each week, or if the applicable Friday is not a Business Day, then on the following Business Day, or such shorter period as the Administrative Agent may from time to time select (any such week or shorter period being herein called a " Settlement Period "), the Administrative Agent shall notify each Revolving Loan Lender of the unpaid principal amount of the Revolving Loans outstanding as of the last day of each such Settlement Period. In the event that such amount is greater than the unpaid principal amount of the Revolving Loans outstanding on the last day of the Settlement Period immediately preceding such Settlement Period (or, if there has been no preceding Settlement Period, the amount of the Revolving Loans made on the date of such Revolving Loan Lender ' s initial funding), each Revolving Loan Lender shall promptly (and in any event not later than 2:00 p.m. (New York City time) if the Administrative Agent requests payment from such Lender not later than 1:00 p.m. (New York City time) on such day) make available to the Administrative Agent its Pro Rata Share of the difference in immediately available funds. In the event that such amount is less than such unpaid principal amount, the Administrative Agent shall promptly pay over to each Revolving Loan Lender its Pro Rata Share of the difference in immediately available funds. In addition, if the Administrative Agent shall so request at any time when a Default or an Event of Default shall have occurred and be continuing, or any other event shall have occurred as a result of which the Administrative Agent shall determine that it is desirable to present claims against the Borrowers for repayment, each Revolving Loan Lender shall promptly remit to the Administrative Agent or, as the case may be, the Administrative Agent shall promptly remit to each Revolving Loan Lender, sufficient funds to adjust the interests of the Revolving Loan Lenders in the then outstanding Revolving Loans to such an extent that, after giving effect to such adjustment, each such Revolving Loan Lender ' s interest in the then outstanding Revolving Loans will be equal to its Pro Rata Share thereof. The obligations of the Administrative Agent and each Revolving Loan Lender under this Section 2.02(d) shall be absolute and unconditional. Each Revolving Loan Lender shall only be entitled to receive interest on its Pro Rata Share of the Revolving Loans which have been funded by such Revolving Loan Lender.

(i) In the event that any Revolving Loan Lender fails to make any payment required to be made by it pursuant to Section 2.02(d)(i), the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Revolving Loan Lender together with interest thereon, for each day from the date such payment was due until the date such amount is paid to the Administrative Agent, at the Federal Funds Effective Rate for 3 Business Days and thereafter at the Reference Rate. During the period in which such Revolving Loan Lender has not paid such corresponding amount to the Administrative Agent, notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, the amount so advanced by the Administrative Agent to the Borrowers shall, for all purposes hereof, be a Revolving Loan made by the Administrative Agent for its own account. Upon any such failure by a Revolving Loan Lender to pay the Administrative Agent, the Administrative Agent shall promptly thereafter notify the Administrative Borrower of such failure and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent for its own account. Nothing in this Section 2.02(d)(ii) shall be deemed to relieve any Revolving Loan Lender from its obligation to fulfill its Revolving Credit Commitment hereunder or to prejudice any rights that the Administrative Agent or the Borrowers may have against any Revolving Loan Lender as a result of any default by such Revolving Loan Lender hereunder.

Section 2.03 Repayment of Loans; Evidence of Debt. (a) The outstanding principal of all Revolving Loans shall be due and payable by the Borrowers on the Final Maturity Date or, if earlier, on the date on which they are declared due and payable pursuant to the terms of this Agreement .

(a) The outstanding principal amount of the Term Loan shall be repaid in consecutive quarterly installments on the last day of each fiscal quarter beginning on December 31, 2018, each in an amount equal to \$2,050,000; provided, however, that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of the Term Loan. The outstanding principal amount of the any Incremental Term Loan shall be repayable in accordance with the applicable Incremental Facility Amendment. The outstanding unpaid principal amount of the Term Loan (including the Incremental Term Loans, if any), and all accrued and unpaid interest thereon, shall be due and payable on the earliest of (i) the termination of the Total Revolving Credit Commitment, (ii) the Final Maturity Date and (iii) the date on which the Term Loan is declared due and payable pursuant to the terms of this Agreement.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to Section 2.03(c) or Section 2.03(d) shall be prima facie evidence of the existence and amounts of the obligations recorded therein (absent manifest error); provided that (i) the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement and (ii) in the event of any conflict between the entries made in the accounts maintained pursuant to Section 2.03(c) and the accounts maintained pursuant to Section 2.03(d), the accounts maintained pursuant to Section 2.03(d) shall govern and control.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a form furnished by the Collateral Agent and reasonably acceptable to the Administrative Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 12.07) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.04 Interest .

(a) Revolving Loans . Subject to the terms of this Agreement, at the option of the Administrative Borrower, each Revolving Loan shall be

either a Reference Rate Loan or a LIBOR Rate Loan. Each Revolving Loan that is a Reference Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of such Loan until repaid, at a rate per annum equal to the Reference Rate plus the Applicable Margin. Each Revolving Loan that is a LIBOR Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of such Loan until repaid, at a rate per annum equal to the LIBOR Rate for the Interest Period in effect for such Loan plus the Applicable Margin.

(b) Term Loan. Subject to the terms of this Agreement, at the option of the Administrative Borrower, the Term Loan or any portion thereof shall be either a Reference Rate Loan or a LIBOR Rate Loan. Each portion of the Term Loan that is a Reference Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of the Term Loan until repaid, at a rate per annum equal to the Reference Rate plus the Applicable Margin, and each portion of the Term Loan that is a LIBOR Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of the Term Loan until repaid, at a rate per annum equal to the LIBOR Rate for the Interest Period in effect for the Term Loan (or such portion thereof) plus the Applicable Margin. Notwithstanding anything to the contrary in this clause (b), the interest rates for any Incremental Term Loans shall be determined mutually by the Borrowers and the Lenders providing such Incremental Term Loans, as set forth in the applicable Incremental Facility Amendment for such Incremental Term Loans.

(c) Default Interest. To the extent permitted by law and notwithstanding anything to the contrary in this Section, upon the occurrence and during the continuance of an Event of Default, (i) the principal of, and all accrued and unpaid interest on, all Loans, fees, indemnities, outstanding Reimbursement Obligations or any other Obligations of the Loan Parties under this Agreement and the other Loan Documents, shall bear interest, from the date such Event of Default occurred until the date such Event of Default is cured or waived in writing in accordance herewith, at a rate per annum equal at all times to the Post-Default Rate and (ii) the Letter of Credit Fees shall be increased by 2.0 percentage points above the per annum rate otherwise applicable hereunder.

(d) Interest Payment. Interest on each Loan shall be payable (i) monthly, in arrears, on the first day of each month, commencing on the first day of the month following the month in which such Loan is made and (ii) in the case of each Loan, at maturity (whether upon demand, by acceleration or otherwise). Notwithstanding the foregoing, interest at the Post-Default Rate shall be payable on demand. Each Borrower hereby authorizes the Administrative Agent to, and the Administrative Agent may, from time to time, charge the Loan Account pursuant to Section 4.01 with the amount of any interest payment due hereunder. Each Borrower and each Guarantor agrees that each Revolving Loan shall separately accrue interest on the principal amount thereof from time to time outstanding with respect to each Borrower, and Administrative Agent shall have no obligation to calculate interest on an aggregate basis (including negative balances) for all Revolving Loans. Each Borrower shall make each payment of interest payable hereunder without set-off or deduction, including as a result of any negative balance outstanding with respect to Revolving Loans of any other Borrower. Each Borrower and each Guarantor waives any right to assert any claim against the Agents or the Lenders with respect to the foregoing.

(e) General. All interest shall be computed on the basis of a year of 360 days for the actual number of days, including the first day but excluding the last day, elapsed.

Section 2.05 Reduction of Commitment; Prepayment of Loans.

(a) Reduction of Commitments.

(i) Revolving Credit Commitments. The Total Revolving Credit Commitment shall terminate on the Final Maturity Date. The Borrowers may reduce the Total Revolving Credit Commitment to an amount (which may be zero) not less than the sum of (A) the aggregate unpaid principal amount of all Revolving Loans then outstanding, (B) the aggregate principal amount of all Revolving Loans not yet made as to which a Notice of Borrowing has been given by the Administrative Borrower under Section 2.02, (C) the Letter of Credit Obligations at such time and (D) the stated amount of all Letters of Credit not yet issued as to which a request has been made and not withdrawn. Each such reduction shall be (1) in an amount which is an integral multiple of \$250,000 (or by the full amount of the Total Revolving Credit Commitment in effect immediately prior to such reduction if such amount at that time is less than \$250,000), (2) made by providing not less than (x) in the case of a partial reduction, three (3) Business Days' (or such shorter notice as may be agreed by the Administrative Agent) prior written notice to the Administrative Agent and (y) in the case of a reduction to zero, ten (10) Business Days' (or such shorter notice as may be agreed by the Administrative Agent) prior written notice to the Administrative Agent, (3) irrevocable and (4) accompanied by the payment of the Applicable Premium, if any, payable in connection with such reduction of the Total Revolving Credit Commitment. Once reduced, the Total Revolving Credit Commitment may not be increased. Each such reduction of the Total Revolving Credit Commitment shall reduce the Revolving Credit Commitment of each Lender proportionately in accordance with its Pro Rata Share thereof.

(ii) Term Loan. The Total Original Term Loan Commitment shall terminate at 5:00 p.m. (New York City time) on the Effective Date. The Total Term A Loan Commitment shall terminate at 5:00 p.m. (New York City time) on the First Amendment Effective Date. The Total Term A-1 Loan Commitment shall terminate at 5:00 p.m. (New York City time) on the Third Amendment Effective Date. The Total Term A-2 Loan Commitment shall terminate at 5:00 p.m. (New York City time) on the Fourth Amendment Effective Date.

(b) Optional Prepayment.

(i) Revolving Loans. The Borrowers may, at any time and from time to time, prepay the principal of any Revolving Loan, in whole or in part; provided, however, that each prepayment made pursuant to this Section 2.05(b)(i) in connection with a reduction of the Total Revolving Credit Commitment pursuant to Section 2.05(a)(i) above shall be accompanied by the payment of the Applicable Premium, if any, payable in connection with such reduction of the Total Revolving Credit Commitment.

(ii) Term Loan. The Borrowers may, at any time and from time to time, upon (A) in the case of a Reference Rate Loan, at least 1 Business Day prior written notice to the Agents, or (B) in the case of a LIBOR Rate Loan at least 3 Business Days' prior written notice (or, in each case, such shorter notice as may be agreed by the Agents) to the Agents, prepay the principal of the Term Loan, in whole or in part; provided, that, if such notice states that it is

conditioned upon the receipt of the proceeds from the issuance of Indebtedness or Equity Interests, such notice of prepayment may be revoked by the Borrowers if such condition is not satisfied. Each prepayment made pursuant to this Section 2.05(b)(ii) shall be accompanied by the payment of (A) accrued interest to the date of such payment on the amount prepaid and (B) the Applicable Premium, if any, payable in connection with such prepayment of the Term Loan. Each such prepayment shall be applied against the remaining installments of principal due on the Term Loan as directed by the Borrowers.

(iii) Termination of Agreement. The Borrowers may, upon at least 10 Business Days' prior written notice to the Administrative Agent, terminate this Agreement by paying to the Administrative Agent, in cash, the Obligations (including (A) either (1) providing cash collateral to be held by the Administrative Agent in an amount equal to 103% of the aggregate undrawn amount of all outstanding Letters of Credit or (2) causing the original Letters of Credit to be returned to the Administrative Agent and (B) paying in full in cash and/or cash collateralizing the amount of the outstanding Bank Product Obligations, and/or terminating such Bank Product Obligations in a manner satisfactory to the Bank Product Provider providing such Bank Products), in full, plus the Applicable Premium, if any, payable in connection with such termination of this Agreement. If the Administrative Borrower has sent a notice of termination pursuant to this Section 2.05(b)(iii), then the Lenders' obligations to extend credit hereunder shall terminate and the Borrowers shall be obligated to repay the Obligations (including (A) either (1) providing cash collateral to be held by the Administrative Agent in an amount equal to 103% of the aggregate undrawn amount of all outstanding Letters of Credit or (2) causing the original Letters of Credit to be returned to the Administrative Agent and (B) paying in full in cash and/or cash collateralizing the amount of the outstanding Bank Product Obligations, and/or terminating such Bank Product Obligations in a manner satisfactory to the Bank Product Provider providing such Bank Products), in full, plus the Applicable Premium, if any, payable in connection with such termination of this Agreement on the date set forth as the date of termination of this Agreement in such notice.

(c) Mandatory Prepayment.

(i) Contemporaneously with the delivery to the Agents and the Lenders of audited annual financial statements pursuant to Section 7.01(a)(iii), commencing with the delivery to the Agents and the Lenders of the financial statements for the Fiscal Year ended September 30, 2016 or, if such financial statements are not delivered to the Agents and the Lenders on the date such statements are required to be delivered pursuant to Section 7.01(a)(iii), on the date such statements are required to be delivered to the Agents and the Lenders pursuant to Section 7.01(a)(iii), the Borrowers shall (A) if the Leverage Ratio of the Parent and its Subsidiaries as of the end of such Fiscal Year is equal to or greater than 2.50:1.00, prepay the outstanding principal amount of the Loans in accordance with Section 2.05(d) in an amount equal to 75% of the Excess Cash Flow of the Parent and its Subsidiaries for such Fiscal Year, or (B) if the Leverage Ratio of the Parent and its Subsidiaries as of the end of such Fiscal Year is less than 2.50:1.00, prepay the outstanding principal amount of the Loans in accordance with Section 2.05(d) in an amount equal to 50% of the Excess Cash Flow of the Parent and its Subsidiaries for such Fiscal Year.

(ii) No later than 3 Business Days following any Disposition (excluding (A) Dispositions which qualify as Permitted Dispositions under clauses (a), (a), (c), (d), (e), (f) or (g) of the definition of Permitted Disposition or (B) the Disposition prior to the one year

anniversary of the Effective Date of the Facility located in Carmel, New York) by any Loan Party or its Subsidiaries, the Borrowers shall prepay the outstanding principal amount of the Loans in accordance with Section 2.05(d) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such Disposition to the extent that the aggregate amount of Net Cash Proceeds received by all Loan Parties and their Subsidiaries (and not paid to the Administrative Agent as a prepayment of the Loans) shall exceed for all such Dispositions \$250,000 in any Fiscal Year. Nothing contained in this Section 2.05(c)(ii) shall permit any Loan Party or any of its Subsidiaries to make a Disposition of any property other than in accordance with Section 7.02(c)(ii) .

(iii) No later than 3 Business Days following the issuance or incurrence by any Loan Party or any of its Subsidiaries of (A) any Indebtedness (other than Permitted Indebtedness) or upon an Equity Issuance (other than any Excluded Equity Issuances, including, without limitation, clause (d) of the definition of Excluded Equity Issuances) or (B) any Specified Financing, the Borrowers shall prepay the outstanding principal amount of the Loans in accordance with Section 2.05(d) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection therewith. The provisions of this Section 2.05(c)(iii) shall not be deemed to be implied consent to any such issuance, incurrence or sale otherwise prohibited by the terms and conditions of this Agreement.

(iv) No later than 3 Business Days following the receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts, the Borrowers shall prepay the outstanding principal of the Loans in accordance with Section 2.05(d) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection therewith to the extent that the aggregate amount of Net Cash Proceeds received by all Loan Parties and their Subsidiaries (and not paid to the Administrative Agent as a prepayment of the Loans) shall exceed for all such Extraordinary Receipts \$250,000 in any Fiscal Year.

(v) [Reserved.]

(vi) Notwithstanding the foregoing, with respect to Net Cash Proceeds received by any Loan Party or any of its Subsidiaries in connection with a Disposition or the receipt of Extraordinary Receipts consisting of insurance proceeds or condemnation awards (other than proceeds of Revolver Priority Collateral) that are required to be used to prepay the Obligations pursuant to Section 2.05(c)(ii) or Section 2.05(c)(iv), as the case may be, up to \$2,500,000 in the aggregate in any Fiscal Year of the Net Cash Proceeds from all such Dispositions and Extraordinary Receipts shall not be required to be so used to prepay the Obligations to the extent that such Net Cash Proceeds are reinvested in capital assets used or useful in the business of the Loan Parties which may (but are not required to) be a replacement, restoration or repair of the properties or assets in respect of which such Net Cash Proceeds were received, provided that, (A) no Default or Event of Default has occurred and is continuing on the date such Person receives such Net Cash Proceeds, (B) the Administrative Borrower delivers a certificate to the Administrative Agent within 10 Business Days after such Disposition or loss, destruction or taking, as the case may be, stating that such Net Cash Proceeds shall be used to reinvest in capital assets used or useful in the business or the Loan Parties or to replace, repair or restore properties or assets in respect of which such Net Cash Proceeds were received within a period specified in such certificate not to exceed 180 days after the date of receipt of such Net Cash Proceeds (which

certificate shall set forth estimates of the Net Cash Proceeds to be so expended), (C) such Net Cash Proceeds are deposited in an account subject to a Control Agreement, and (D) upon the earlier of (1) the expiration of the period specified in the relevant certificate furnished to the Administrative Agent pursuant to clause (B) above or (2) the occurrence of a Default or an Event of Default, such Net Cash Proceeds, if not theretofore so used, shall be used to prepay the Obligations in accordance with Section 2.05(c)(ii) or Section 2.05(c)(iv) as applicable.

(vii) Each Borrower shall immediately prepay the Revolving Loans of such Borrower at any time when the aggregate principal amount of all Revolving Loans of such Borrower plus the outstanding amount of all Letter of Credit Obligations of such Borrower exceeds the Borrowing Base of such Borrower, to the full extent of any such excess. On each day that any Revolving Loans or Letter of Credit Obligations of a Borrower are outstanding, each such Borrower shall hereby be deemed to represent and warrant to the Agents and the Lenders that the Borrowing Base of such Borrower calculated as of such day equals or exceeds the aggregate principal amount of all Revolving Loans and Letter of Credit Obligations of such Borrower outstanding on such day. If at any time after each applicable Borrower has complied with the first sentence of this Section 2.05(c)(vii), the aggregate Letter of Credit Obligations of such Borrower is greater than the then current Borrowing Base of such Borrower, then such Borrower shall provide cash collateral to the Administrative Agent in an amount equal to 103% of such excess, which cash collateral shall be deposited in the Letter of Credit Collateral Account and, provided that no Event of Default shall have occurred and be continuing, returned to such Borrower, at such time as the aggregate Letter of Credit Obligations of such Borrower plus the aggregate principal amount of all outstanding Revolving Loans of such Borrower no longer exceeds the then current Borrowing Base of such Borrower.

(d) Application of Payments. Each prepayment pursuant to Section 2.05(c) shall be applied as follows:

(i) the proceeds from any prepayment pursuant to any Disposition of any Revolver Priority Collateral or any Extraordinary Receipts consisting of an insurance policy or condemnation award with respect to Revolver Priority Collateral (including, without limitation, proceeds of business interruption insurance, but only to the extent no Event of Default shall have occurred and be continuing) shall be applied (A) first, to the Revolving Loans (with a corresponding permanent reduction in the Revolving Credit Commitments), until paid in full, (B) second, to cash collateralize the Letters of Credit in an amount equal to 103% of the aggregate undrawn amount of all outstanding Letters of Credit (with a corresponding permanent reduction in the Revolving Credit Commitments) and (C) third, to the Term Loan until paid in full;

(ii) the proceeds from any prepayment pursuant to any Disposition of any Term Priority Collateral or any Extraordinary Receipts consisting of insurance policy or condemnation award with respect to Term Priority Collateral (including, without limitation, proceeds of business interruption insurance (but only to the extent of an Event of Default has occurred and is continuing)) shall be applied (A) first, to the Term Loan until paid in full, (B) second, to the Revolving Loans (with a corresponding permanent reduction in the Revolving Credit Commitments), until paid in full, and (C) third, to cash collateralize the Letters of Credit in an amount equal to 103% of the aggregate undrawn amount of all outstanding Letters of Credit (with a corresponding permanent reduction in the Revolving Credit Commitments);

(iii) the proceeds from any prepayment pursuant to a Disposition of all or substantially all of the assets or Equity Interests of any Person or any insurance which Disposition or proceeds of insurance includes both (x) Revolver Priority Collateral and (y) Term Priority Collateral, shall be applied in a manner mutually determined by the Agents acting reasonably and in good faith ; and

(iv) the proceeds from any prepayment event set forth in Section 2.05(c)(i), Section 2.05(c)(iii) or Section 2.05(c)(iv) (other than any such proceeds applied pursuant to clauses (d)(i), (d)(ii) or (d)(iii) above) shall be applied, (A) first, to the Term Loan until paid in full, (B) second, to the Revolving Loans (with a corresponding permanent reduction in the Revolving Credit Commitments), until paid in full, and (C) third, to cash collateralize the Letters of Credit in an amount equal to 103% of the aggregate undrawn amount of all outstanding Letters of Credit (with a corresponding permanent reduction in the Revolving Credit Commitments).

Each such prepayment of the Term Loan shall be applied against the remaining installments of principal of the Term Loan in the inverse order of maturity. Notwithstanding the foregoing, after the occurrence and during the continuance of an Event of Default, if the Administrative Agent has elected, or has been directed by the Collateral Agent or the Required Lenders, to apply payments in respect of any Obligations in accordance with Section 4.03(b), prepayments required under Section 2.05(c) shall be applied in the manner set forth in Section 4.03(b).

(e) Interest and Fees. Any prepayment made pursuant to this Section 2.05 (other than prepayments made pursuant to subsection (c)(vii) of this Section 2.05) shall be accompanied by (i) accrued interest on the principal amount being prepaid to the date of prepayment, (ii) any Funding Losses payable pursuant to Section 2.08, (iii) the Applicable Premium, if any, payable in connection with such prepayment of the Loans to the extent required under Section 2.06(b) and (iv) if such prepayment would reduce the amount of the outstanding Loans to zero at a time when the Total Revolving Credit Commitment has been terminated, such prepayment shall be accompanied by the payment of all fees accrued to such date pursuant to Section 2.06.

(f) Cumulative Prepayments. Except as otherwise expressly provided in this Section 2.05, payments with respect to any subsection of this Section 2.05 are in addition to payments made or required to be made under any other subsection of this Section 2.05.

Section 2.06 Fees.

(a) Unused Line Fee. From and after the Effective Date and until the Termination Date, the Borrowers shall pay to the Administrative Agent for the account of the Revolving Loan Lenders, in accordance with their Pro Rata Shares, monthly in arrears on the first day of each month commencing September 1, 2015, an unused line fee (the "Unused Line Fee"), which shall accrue at the rate per annum of 0.5% on the excess, if any, of the Total Revolving Credit Commitment over the sum of the average principal amount of all Revolving Loans and Letter of Credit Obligations outstanding from time to time during the preceding month.

(b) Applicable Premium.

(i) Upon the occurrence of an Applicable Premium Trigger Event, the Borrower shall pay to the Collateral Agent, for the account of the Lenders in accordance with a written agreement among the Agents and the Lenders, the Applicable Premium.

(ii) Any Applicable Premium payable in accordance with this Section 2.06(b) shall be presumed to be equal to the liquidated damages sustained by the Lenders as the result of the occurrence of the Applicable Premium Trigger Event and the Loan Parties agree that it is reasonable under the circumstances currently existing. THE LOAN PARTIES EXPRESSLY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREMIUM IN CONNECTION WITH ANY ACCELERATION.

(iii) The Loan Parties expressly agree that: (A) the Applicable Premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between the Lenders and the Loan Parties giving specific consideration in this transaction for such agreement to pay the Applicable Premium; (D) the Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this paragraph; (E) their agreement to pay the Applicable Premium is a material inducement to Lenders to provide the Commitments and make the Loans, and (F) the Applicable Premium represents a good faith, reasonable estimate and calculation of the lost profits or damages of the Agents and the Lenders and that it would be impractical and extremely difficult to ascertain the actual amount of damages to the Agents and the Lenders or profits lost by the Agents and the Lenders as a result of such Applicable Premium Trigger Event.

(iv) Nothing contained in this Section 2.06(b) shall permit any prepayment of the Loans or reduction of the Commitments not otherwise permitted by the terms of this Agreement or any other Loan Document.

(c) Audit and Collateral Monitoring Fees. The Borrowers acknowledge that pursuant to Section 7.01(f), representatives of the Agents may visit any or all of the Loan Parties and/or conduct inspections, audits, physical counts, valuations, appraisals, environmental site assessments and/or examinations of any or all of the Loan Parties at any time and from time to time and so long as no Event of Default has occurred and is continuing, with reasonable prior notice to the Administrative Borrower and during regular business hours. The Borrowers agree to pay (i) \$1,500 (or such other amount customarily charged by Agents to their customers) per day per examiner plus a per examination manager review fee (whether such examination is performed by an Agent's employees or by a third party retained by an Agent) in the amount of \$1,300 (or such other amount customarily charged by Agents to their customers) plus all costs and disbursements incurred by Agents in the performance of such examination or analysis, and the examiner's out-of-pocket costs and reasonable expenses incurred in connection with all such visits, inspections, audits, physical counts, valuations, appraisals, environmental site assessments and/or examinations and (ii) the cost of all visits, inspections, audits, physical counts, valuations, appraisals, environmental site assessments and/or examinations conducted by a third party on behalf of the Agents; provided, that so long as no Event of Default shall have occurred and be continuing, (x) the Borrowers shall not be obligated to reimburse the Agents for more than 2 audits during any calendar year and (y) the cost of any inspections, audits, physical

counts, valuations, appraisals, environmental site assessments and/or examinations performed in accordance with this Section 2.06(c), combined with any fees associated with Field Survey and Audits performed during in any calendar year, shall not exceed \$40,000 .

(d) Letter of Credit Fees. The Borrowers shall pay (A) to the Administrative Agent, for the ratable benefit of the Revolving Loan Lenders, a Letter of Credit fee (in addition to the charges, commissions, fees, and costs set forth in clause (B) below) which shall accrue at a rate per annum equal to the L/C Fee Rate in effect at such time, times the daily balance of the Maximum Undrawn Amount of all outstanding Letters of Credit, for the period from and excluding the date of issuance of same to and including the date of expiration or termination, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each quarter and on the Final Maturity Date, and (B) to the Administrative Agent, for the benefit of the L/C Issuer, a fronting fee of one quarter of one percent (0.25%) per annum times the daily balance of the Maximum Undrawn Amount of all outstanding Letters of Credit, for the period from and excluding the date of issuance of same to and including the date of expiration or termination, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each quarter and on the Final Maturity Date, together with any and all customary administrative, issuance, amendment, payment and negotiation charges (as per the L/C Issuer's standard fee schedule) with respect to any Letters of Credit and all fees and expenses as agreed upon by the L/C Issuer and the Borrowers in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder and shall reimburse Administrative Agent for any and all fees and expenses, if any, paid by the Administrative Agent to the L/C Issuer, which charges and fees shall be payable on demand or as otherwise mutually agreed upon by the Administrative Agent and the Borrowers. All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the L/C Issuer's prevailing charges for that type of transaction (all of the foregoing fees and charges in this clause (d) collectively, the "Letter of Credit Fees"). All such Letter of Credit Fees shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Without limiting the generality of the provisions of Section 4.01, the parties hereto agree that, for administrative convenience, Administrative Agent may charge the Loan Account of the Borrowers with the amount of a Revolving Loan made as a Reference Rate Loan on the date any such Letter of Credit Fees with respect to any Letter of Credit are due and payable for the purpose of paying such Letter of Credit Fees; provided that upon any such charge to the Loan Account, Administrative Agent shall give prompt notice to Administrative Borrower of such charge.

(e) Fee Letter. As and when due and payable under the terms of the Fee Letter, the Borrowers shall pay the fees set forth in the Fee Letter.

(f) SyndTrak Fee. The Borrowers shall pay to Administrative Agent, for its own account and not the account of any Lender, an annual SyndTrak fee ("SyndTrak Fee") equal to \$1,500. The SyndTrak Fee will be payable on the Effective Date and on each anniversary thereof until the Final Maturity Date. Such fee shall be deemed earned in full on the date when same is

due and payable hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason.

Section 2.07 LIBOR Option.

(a) The Borrowers may, at any time and from time to time, so long as no Default or Event of Default has occurred and is continuing, elect to have interest on all or a portion of the Loans be charged at a rate of interest based upon the LIBOR Rate (the "LIBOR Option") by notifying the Administrative Agent prior to 11:00 a.m. (New York City time) at least 3 Business Days prior to (i) the proposed borrowing date of a Loan (as provided in Section 2.02), (ii) in the case of the conversion of a Reference Rate Loan to a LIBOR Rate Loan, the commencement of the proposed Interest Period or (iii) in the case of the continuation of a LIBOR Rate Loan as a LIBOR Rate Loan, the last day of the then current Interest Period (the "LIBOR Deadline"). Notice of the Borrowers' election of the LIBOR Option for a permitted portion of the Loans and an Interest Period pursuant to this Section 2.07(a) shall be made by delivery to the Administrative Agent of (A) a Notice of Borrowing (in the case of the initial making of a Loan) in accordance with Section 2.02 or (B) a LIBOR Notice prior to the LIBOR Deadline (or by telephonic notice received by the Administrative Agent before the LIBOR Deadline (to be confirmed by delivery to the Administrative Agent of a LIBOR Notice received by the Administrative Agent prior to 5:00 p.m. (New York City time) on the same day)). Promptly upon its receipt of each such LIBOR Notice, the Administrative Agent shall provide a copy thereof to each of the Lenders. Each LIBOR Notice shall be irrevocable and binding on the Borrowers.

(b) Interest on LIBOR Rate Loans shall be payable in accordance with Section 2.04(d). On the last day of each applicable Interest Period, unless the Borrowers properly have exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loans automatically shall convert to the rate of interest then applicable to Reference Rate Loans of the same type hereunder. At any time that a Default or an Event of Default has occurred and is continuing, the Borrowers no longer shall have the option to request that any portion of the Loans bear interest at the LIBOR Rate and the Administrative Agent shall have the right to convert the interest rate on all outstanding LIBOR Rate Loans to the rate of interest then applicable to Reference Rate Loans of the same type hereunder prior to the last day of the then current Interest Period.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrowers (i) shall have not more than 5 LIBOR Rate Loans in effect at any given time, and (ii) only may exercise the LIBOR Option for LIBOR Rate Loans of at least \$500,000 and integral multiples of \$100,000 in excess thereof.

(d) The Borrowers may prepay LIBOR Rate Loans at any time; provided, however, that in the event that LIBOR Rate Loans are prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any mandatory prepayment pursuant to Section 2.05(c) or any application of payments or proceeds of Collateral in accordance with Section 4.03 or Section 4.04 or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to the terms hereof, the Borrowers shall indemnify, defend, and hold the Agents and the Lenders and their participants harmless against any and all Funding Losses in accordance with Section 2.08.

(e) Anything to the contrary contained herein notwithstanding, neither any Agent nor any Lender, nor any of their participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate. The provisions of this Article II shall apply as if each Lender or its participants had match funded any Obligation as to which interest is accruing at the LIBOR Rate by acquiring eurodollar deposits for each Interest Period in the amount of the LIBOR Rate Loans.

Section 2.08 Funding Losses. In connection with each LIBOR Rate Loan, the Borrowers shall indemnify, defend, and hold the Agents and the Lenders harmless against any loss, cost, or expense incurred by any Agent or any Lender as a result of (a) the payment of any principal of any LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of a Default or an Event of Default or any mandatory prepayment required pursuant to Section 2.05(c)), (b) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto (including as a result of a Default or an Event of Default), or (c) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in any Notice of Borrowing or LIBOR Notice delivered pursuant hereto (such losses, costs, and expenses, collectively, "Funding Losses"). Funding Losses shall, with respect to any Agent or any Lender, be deemed to equal the amount reasonably determined by such Agent or such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such LIBOR Rate Loan had such event not occurred, at the LIBOR Rate that would have been applicable thereto, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period therefor), minus (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Agent or such Lender would be offered were it to be offered, at the commencement of such period, Dollar deposits of a comparable amount and period in the London interbank market. A certificate of an Agent or a Lender delivered to the Administrative Borrower setting forth any amount or amounts that such Agent or such Lender is entitled to receive pursuant to this Section 2.08 shall be conclusive absent manifest error.

Section 2.09 Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction for any and all Taxes, except as required by applicable law. If any Loan Party shall be required by any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) to deduct any Taxes from or in respect of any sum payable hereunder to any Recipient, (i) the applicable Withholding Agent shall make such deductions and (ii) the applicable Withholding Agent shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law and (iii) if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased by the amount (an "Additional Amount") necessary such that after making all required deductions (including deductions applicable to additions sums payable under this Section 2.09) such Recipient receives the amount equal to the sum it would have received had no such deductions been made.

(a) In addition, each Loan Party agrees to pay to the relevant Governmental Authority in accordance with applicable law any Other Taxes. Each Loan Party shall deliver to each Recipient official receipts in respect of any Taxes or Other Taxes payable hereunder promptly after payment of such Taxes or Other Taxes.

(b) The Loan Parties hereby jointly and severally indemnify and agree to hold each Recipient harmless from and against Indemnified Taxes (including Indemnified Taxes imposed on any amounts payable under this Section 2.09) paid by such Person, whether or not such Indemnified Taxes were correctly or legally asserted by the relevant Governmental Authority. Such indemnification shall be paid within 10 days from the date on which any such Person makes written demand therefore specifying in reasonable detail the nature and amount of such Taxes or Other Taxes.

(c) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document agrees that it shall deliver to the Borrowers or the Administrative Agent (or, in the case of an assignee of a Lender which (x) is an Affiliate of such Lender or a Related Fund of such Lender and (y) does not deliver an Assignment and Acceptance to the Administrative Agent pursuant to the last sentence of Section 12.07(c)(ii) for recordation pursuant to Section 12.07(e), to the assigning Lender only, and in the case of a participant, to the Lender granting the participation only), at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.09(d)(ii) and (iii) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Any Lender that is a U.S. Person shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), one properly completed and duly executed U.S. Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(iii) Any Lender that is not a U.S. Person (a " Non-U.S. Lender ") shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Non U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), one properly completed and duly executed copy of either U.S. Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY or any subsequent versions thereof or successors thereto, in each case claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments of interest hereunder. In addition, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Internal Revenue Code, such Non-U.S. Lender hereby represents to the Administrative Agent and the Borrowers that such Non-U.S. Lender is not a bank for purposes of

Section 881(c) of the Internal Revenue Code, is not a 10 -percent shareholder (within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code) of the Borrowers and is not a controlled foreign corporation related to the Borrowers (within the meaning of Section 864(d)(4) of the Internal Revenue Code), and such Non -U.S. Lender agrees that it shall promptly notify the Borrowers and the Administrative Agent in the event any such representation is no longer accurate. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement and on or before the date, if any, such Non -U.S. Lender changes its applicable lending office by designating a different lending office (a " New Lending Office "). In addition, such Lender or the Administrative Agent shall deliver such forms within 20 days after receipt of a written request therefor from the Administrative Borrower, the assigning Lender or the Lender granting a participation, as applicable. Notwithstanding any other provision of this Section 2.09 , a Lender shall not be required to deliver any form pursuant to this Section 2.09(d) that such Lender is not legally able to deliver.

(d) Any Recipient claiming any indemnity payment or additional payment amounts payable pursuant to this Section 2.09 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by the Administrative Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amount that may thereafter accrue, would not require such Recipient to disclose any information such Recipient deems confidential and would not, in the sole determination of such Recipient, be otherwise disadvantageous to such Recipient.

(e) If any Recipient shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Indemnified Taxes with respect to which any Loan Party has made an indemnity payment or paid additional amounts, pursuant to this Section 2.09, it shall promptly notify the Administrative Borrower of the availability of such refund claim and shall, within 30 days after receipt of a request by the Administrative Borrower, make a claim to such Governmental Authority for such refund at the Loan Parties' expense. If any Recipient receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Indemnified Taxes with respect to which any Loan Party has made an Indemnity payment or paid additional amounts pursuant to this Section 2.09, it shall within 30 days from the date of such receipt pay over such refund to the Administrative Borrower, net of all out-of-pocket expenses of such Recipient.

(f) If a payment made to a Lender or the Administrative Agent under any Loan Document would be subject to U.S. Federal withholding tax imposed by FATCA if such Lender or the Administrative Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender or the Administrative Agent shall deliver to the Administrative Borrower and the Agents at the time or times prescribed by law and at such time or times reasonably requested by the Administrative Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Administrative Borrower or the Administrative Agent as may be necessary for the Administrative Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender or the Administrative Agent has

complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Any forms, certifications or other documentation under this clause (g) shall be delivered by each Lender and each Agent.

(g) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

(h) The obligations of the Loan Parties under this Section 2.09 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.10 Increased Costs and Reduced Return. (a) If any Change in Law shall (i) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to this Agreement or any Loan made by such Lender or any Letter of Credit issued by the L/C Issuer, (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against any Loan, any Letter of Credit or against assets of or held by, or deposits with or for the account of, or credit extended by, such Recipient or (iii) impose on such Recipient any other condition, cost or expense (other than Taxes) regarding this Agreement or any Loan or Letter of Credit, and the result of any event referred to in clauses (i), (ii) or (iii) above shall be to increase the cost to such Recipient of making any Loan, issuing, guaranteeing or participating in any Letter of Credit, or agreeing to make any Loan or issue, guaranty or participate in any Letter of Credit, or to reduce any amount received or receivable by such Recipient hereunder, then, upon demand by such Recipient, the Borrowers shall pay to such Recipient such additional amounts as will compensate such Secured Party for such increased costs or reductions in amount.

(a) If any Secured Party shall have determined that any Change in Law either (i) affects or would affect the amount of capital required or expected to be maintained by such Secured Party or any Person controlling such Secured Party, and such Secured Party determines that the amount of such capital is increased as a direct or indirect consequence of any Loans made or maintained, Letters of Credit issued or any guaranty or participation with respect thereto, such Secured Party's or such other controlling Person's other obligations hereunder, or (ii) has or would have the effect of reducing the rate of return on such Secured Party's or such other controlling Person's capital to a level below that which such Secured Party or such controlling Person could have achieved but for such circumstances as a consequence of any Loans made or maintained, Letters of Credit issued, or any guaranty or participation with respect thereto or any agreement to make Loans, to issue Letters of Credit or such Secured Party's or such other controlling Person's other obligations hereunder (in each case, taking into consideration, such Secured Party's or such other controlling Person's policies with respect to capital adequacy), then, upon demand by such Secured Party, the Borrowers shall pay to such Secured Party from time to time such additional amounts as will compensate such Secured Party for such cost of maintaining such increased capital or such reduction in the rate of return on such Secured Party's or such other controlling Person's capital.

(b) All amounts payable under this Section 2.10 shall bear interest from the date that is 15 days after the date of demand by any Secured Party until payment in full to such Secured Party at the Reference Rate. A certificate of such Secured Party claiming compensation under this Section 2.10, specifying the event herein above described and the nature of such event shall be submitted by such Secured Party to the Administrative Borrower, setting forth the additional amount due and an explanation of the calculation thereof, and such Secured Party's reasons for invoking the provisions of this Section 2.10, and shall be final and conclusive absent manifest error.

(c) Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 2.10 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 2.10 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Administrative Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(d) The obligations of the Loan Parties under this Section 2.10 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.11 Changes in Law; Impracticability or Illegality.

(a) The LIBOR Rate may be adjusted by the Administrative Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including changes in tax laws (except changes of general applicability in corporate income tax laws) and changes in the reserve requirements imposed by the Board of Governors of the Federal Reserve System (or any successor), excluding the Reserve Percentage, which additional or increased costs would increase the cost of funding loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give the Administrative Borrower and the Administrative Agent notice of such a determination and adjustment and the Administrative Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, the Administrative Borrower may, by notice to such affected Lender (i) require such Lender to furnish to the Administrative Borrower a statement setting forth the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (ii) repay the LIBOR Rate Loans with respect to which such adjustment is made (together with any amounts due under Section 2.09).

(b) In the event that any change in market conditions or any law, regulation, treaty, or directive, or any change therein or in the interpretation of application thereof, shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to the Administrative Borrower and the Administrative

Agent, and the Administrative Agent promptly shall transmit the notice to each other Lender and (i) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender ' s notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Reference Rate Loans of the same type hereunder, and (ii) the Borrowers shall not be entitled to elect the LIBOR Option (including in any borrowing, conversion or continuation then being requested) until such Lender determines that it would no longer be unlawful or impractical to do so.

(c) The obligations of the Loan Parties under this Section 2.11 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.12 Mitigation Obligations; Replacement of Lenders .

(a) If any Lender requires the Borrowers to pay any Additional Amounts under Section 2.09 or requests compensation under Section 2.10, then such Lender shall (at the request of the Administrative Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to such Section in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requires the Borrowers to pay any Additional Amounts under Section 2.09 or requests compensation under Section 2.10 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with clause (a) above, or if any Lender is a Defaulting Lender, then the Administrative Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.07), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrowers shall have paid to the Agents any assignment fees specified in Section 12.07;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.08 and Section 2.09) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from payments required to be made pursuant to Section 2.09 or a claim for compensation under Section 2.10, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable law.

Prior to the effective date of such assignment, the assigning Lender shall execute and deliver an Assignment and Acceptance, subject only to the conditions set forth above. If the assigning Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such assignment, the assigning Lender shall be deemed to have executed and delivered such Assignment and Acceptance. Any such assignment shall be made in accordance with the terms of Section 12.07.

(c) A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Administrative Borrower to require such assignment and delegation cease to apply.

Section 2.13 Incremental Term Facility.

(a) Subject to the terms and conditions hereof, the Lenders agree that the Borrowers may, on any Business Day from time to time, deliver a written notice to the Agents requesting to add additional term loans (the "Incremental Term Loans"); and the credit facility for making any Incremental Term Loans is hereinafter referred to as the "Incremental Term Facility") on not more than 3 occasions and in minimum principal amounts of \$5,000,000 and integral multiples of \$1,000,000 in excess thereof (or such other lower amount as may be agreed by the Agents); provided, that (i) the Administrative Agent shall have received a written request for such Incremental Term Loan not later than 1:00 p.m. (New York City time) on the date which is 10 Business Days prior to the date of the proposed Incremental Term Loan, (ii) all conditions set forth in Section 5.02 shall have been satisfied and the Administrative Borrower shall have delivered to the Collateral Agent a certificate from an Authorized Officer certifying as to matters set forth in Section 5.02(a), (iii) the Administrative Borrower shall have delivered a certificate of the chief financial officer of the Administrative Borrower, demonstrating on a pro forma basis, as of the end of the most recently ended fiscal quarter for which internally prepared financial statements are available and for the 12 calendar months (on a quarter-by-quarter basis) following the proposed date of making the Incremental Term Loans (A) that the Leverage Ratio of the Parent and its Subsidiaries is equal to or less than 0.25 below the then applicable Leverage Ratio level set forth in Section 7.03(a) and (B) compliance with all then applicable covenants set forth in Section 7.03, (iv) the Borrowers shall have delivered or cause to be delivered any legal opinions, resolutions and other customary closing documents and certificates reasonably requested by any Agent in connection with such transaction and (v) any closing fee or other amounts payable to the Agents and the Lenders pursuant to the applicable Incremental Facility Amendment shall have been paid.

(b) The aggregate original principal amount of all Incremental Term Loans shall not exceed \$0 (after giving effect to the funding of the Term A-1 Loan on the Third Amendment Effective Date).

(c) Any existing Lender may, but shall not be obligated to, participate in any Incremental Term Facility on a pro rata basis. If the existing Lenders do not agree to make the

amount of the Incremental Term Loan requested by the Borrowers, the Borrowers may seek one or more Persons acceptable to the Collateral Agent in its sole discretion to be added as Lenders for purposes of participating in such remaining portion.

(d) The pricing for any Incremental Term Loans shall be determined by the applicable Lenders and the Borrowers and set forth in the Incremental Facility Amendment; provided, that, the Effective Yield with respect to any Incremental Term Loan may be different than the Effective Yield of the Term Loan then outstanding to the extent provided in the applicable Incremental Facility Amendment; provided, further, that if at the time of the effectiveness of any Incremental Facility Amendment, the Effective Yield in respect of such Incremental Term Loan exceeds the Effective Yield on the then outstanding Loans, the Applicable Margin with respect to the then outstanding Loans shall be increased by the amount of such excess.

(e) No Incremental Term Loan shall mature earlier, or require earlier scheduled amortization, than the then outstanding Term Loan. The outstanding principal amount of the any Incremental Term Loan shall be repayable in accordance with the applicable Incremental Facility Amendment.

(f) Incremental Term Facilities shall rank pari passu in right of payment and pari passu with respect to security with the other Loans. Incremental Term Loans shall share ratably in any prepayments of the other outstanding Term Loans.

(g) The Weighted Average Life to Maturity of any Incremental Term Loan shall be no shorter than the remaining Weighted Average Life to Maturity of the then outstanding Term Loan.

(h) Each Incremental Term Facility shall be evidenced by an amendment (an "Incremental Facility Amendment") to this Agreement, executed by the Borrowers, the Agents and each Lender (including any new Lender, if any) providing a portion of the Incremental Term Facility. Each Incremental Term Facility shall also require such amendments to the other Loan Documents, and such other new Loan Documents, as the Collateral Agent deems necessary to effect the modifications permitted by this Section 2.13. The Borrowers agree to pay the reasonable expenses of the Agents relating to any Incremental Facility Amendment and the transactions contemplated thereby in accordance with Section 12.04. Notwithstanding anything to the contrary in Section 12.02, neither the Incremental Facility Amendment, nor any such amendments to the other Loan Documents or such other new Loan Documents, shall be required to be executed or approved by any Person, other than the Loan Parties, the Lenders providing a portion of the Incremental Term Facility and the Agents, in order to be effective; provided that the execution and approval of the Administrative Agent in respect of any such Incremental Facility Amendment, any such amendment to the other Loan Documents or any such other new Loan Document shall not be unreasonably withheld or delayed.

(i) Except to the extent otherwise permitted above, all Incremental Term Loans shall be on substantially the same terms and conditions applicable to the other outstanding Term Loan or as otherwise reasonably acceptable to the Collateral Agent.

ARTICLE III
LETTERS OF CREDIT

Section 3.01 Letters of Credit. Subject to the terms and conditions hereof (including Section 2.01(b) hereof), the L/C Issuer shall issue or cause the issuance of standby and/or trade letters of credit (collectively, "Letters of Credit") for the account of any Borrower, and which may be for the benefit of any Loan Party (each such Letter of Credit, a "Letter of Credit"), which Letters of Credit shall be denominated in Dollars. The Maximum Undrawn Amount of all outstanding Letters of Credit of any Borrower shall not exceed in the aggregate at any time the (i) the Borrowing Base of such Borrower minus (ii) the aggregate principal amount of all Revolving Loans of such Borrower then outstanding. Notwithstanding anything to the contrary contained in the foregoing or in any other provision hereof, no Letter of Credit shall be issued if after giving effect thereto, (x) the Maximum Undrawn Amount of all outstanding Letters of Credit would exceed the Letter of Credit Sublimit or (y) any of the credit limits set forth in Section 2.01(b) would be violated. All disbursements or payments related to Letters of Credit shall be deemed to be Revolving Loans and shall bear interest at the rate applicable to Revolving Loans that are Reference Rate Loans in accordance with Section 2.04. Letters of Credit that have not been drawn upon shall not bear interest. To the extent that a Letter of Credit is requested to be issued for the benefit of multiple Loan Parties, so long as no Event of Default has occurred and is continuing, the Administrative Agent shall consult with the Borrowers regarding the allocation of such Letter of Credit to each respective Borrowers' availability to borrow Revolving Loans under Section 2.01(b)(i) and/or incur Letter of Credit Obligations under this Section 3.01.

Section 3.02 Issuance of Letters of Credit.

(a) Subject to the terms hereof, any Borrower (or the Administrative Borrower on behalf of any other Borrower) may request the L/C Issuer to issue or cause the issuance of a Letter of Credit by delivering to the L/C Issuer, at the Payment Office, prior to 10:00 a.m. (New York time), at least five (5) Business Days' prior to the proposed date of issuance (or such shorter period as may be agreed by the L/C Issuer in its sole discretion), the L/C Issuer's form of letter of credit application (the "Letter of Credit Application") completed to the reasonable satisfaction of the L/C Issuer; and, such other certificates, documents and other papers and information as the L/C Issuer may reasonably request. Each Borrower (or the Administrative Borrower on behalf of another Borrower) also has the right to give instructions and make agreements with respect to any application, any applicable letter of credit and security agreement, any applicable letter of credit reimbursement agreement and/or any other applicable agreement, any letter of credit and the disposition of documents, disposition of any unutilized funds, and to agree with the L/C Issuer upon any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts, other written demands for payment, or acceptances of drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance (subject to automatic renewals) and in no event later than the date that is 15 days prior to the Final Maturity Date. Each standby Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 600, and any amendments or revision thereof adhered to

by the Issuer ("UCP 600") or the International Standby Practices (ISP98-International Chamber of Commerce Publication Number 590) ("ISP98 Rules"), as determined by the L/C Issuer, and each trade Letter of Credit shall be subject to UCP 600.

(c) The Administrative Agent shall use its reasonable efforts to notify the Lenders of the request by the Administrative Borrower for a Letter of Credit hereunder.

Section 3.03 Requirements for the Issuance of Letters of Credit. The Administrative Borrower shall authorize and direct the L/C Issuer to name one Borrower as the "Applicant" or "Account Party" of each Letter of Credit. If the Administrative Agent is not the L/C Issuer of any Letter of Credit, the Administrative Borrower shall authorize and direct the L/C Issuer to deliver to the Administrative Agent all instruments, documents, and other writings and property received by the L/C Issuer pursuant to the Letter of Credit and to accept and rely upon the Administrative Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit or the application therefor.

Section 3.04 Disbursements Reimbursement.

(a) Immediately upon the issuance of each Letter of Credit, each Revolving Loan Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a participation in such Letter of Credit and each drawing thereunder in an amount equal to such Lender's Pro Rata Share (determined in accordance with clause (a) of the definition of Pro Rata Share) of the Maximum Face Amount of such Letter of Credit and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the L/C Issuer will promptly notify the Administrative Borrower. Provided that the Administrative Borrower shall have received such notice by 1:00 p.m. (New York time), the Borrowers shall reimburse (such obligation to reimburse the L/C Issuer or any Lender together with any interest thereon pursuant to Section 2.04 shall sometimes be referred to as a "Reimbursement Obligation") the L/C Issuer and the Revolving Loan Lenders prior to 1:00 p.m. (New York time) on such date that an amount is paid by the L/C Issuer and the Revolving Loan Lenders under any Letter of Credit (each such date, a "Drawing Date") in an amount equal to the amount so paid by the L/C Issuer. In the event the Borrowers do not reimburse the L/C Issuer within the time period set forth in the immediately preceding sentence, the L/C Issuer will promptly notify each Revolving Loan Lender thereof, and the Administrative Borrower shall be deemed to have requested that a Revolving Loan that is a Reference Rate Loan be made by the Revolving Loan Lenders to be disbursed on the Drawing Date under such Letter of Credit, pursuant to Section 2.01(a)(i) (whether or not the conditions in Sections 5.01 and 5.02 have been satisfied). Any notice given by the L/C Issuer pursuant to this Section 3.04(b) may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Revolving Loan Lender shall upon any notice pursuant to Section 3.04(b) make available to the Administrative Agent an amount in immediately available funds equal to its applicable Pro Rata Share (determined in accordance with clause (a) of the definition of Pro Rata Share) of the amount of the drawing, whereupon the participating Lenders shall (subject to Section 3.04(d)) each be deemed to have made a Revolving Loan that is a Reference Rate Loan to the Borrowers in that amount. If any Revolving Loan Lender so notified fails to make available to the Administrative Agent the amount of such Lender's Pro Rata Share of such

amount by no later than 2:00 p.m. (New York time) on the Drawing Date, then interest shall accrue on such Lender ' s obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three days following the Drawing Date and (ii) at a rate per annum equal to the interest rate on Revolving Loans that are Reference Rate Loans on and after the fourth day following the Drawing Date. The Administrative Agent will promptly give notice of the occurrence of the Drawing Date, but failure of the Administrative Agent to give any such notice on the Drawing Date or in sufficient time to enable any Revolving Loan Lender to effect such payment on such date shall not relieve such Lender from its obligation under this Section 3.04(c) , provided that such Lender shall not be obligated to pay interest as provided in Section 3.04(d) (i) and (ii) until and commencing from the date of receipt of notice from the Administrative Agent of a drawing. Each Revolving Loan Lender ' s payment to the L/C Issuer pursuant to this Section 3.04(c) shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a " Participation Revolving Loan " from such Lender in satisfaction of its Participation Commitment under this Section 3.04 .

(d) With respect to any unreimbursed drawing that is not converted into a Revolving Loan to the Borrowers in whole or in part as contemplated by Section 3.04(b), because of the Borrowers' failure to satisfy the conditions set forth in Section 5.02 (other than any notice requirements) or for any other reason, the Borrowers shall be deemed to have incurred from the Administrative Agent a borrowing (each, a " Letter of Credit Borrowing ") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum equal to the interest rate on Revolving Loans that are Reference Rate Loans.

(e) Each Lender's Participation Commitment shall continue until the last to occur of any of the following events: (i) the L/C Issuer ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (ii) no Letter of Credit issued or created hereunder remains outstanding and uncanceled and (iii) all Persons (other than the Borrowers) have been fully reimbursed for all payments made under or relating to Letters of Credit.

Section 3.05 Repayment of Participation Revolving Loans .

(a) Upon (and only upon) receipt by the Administrative Agent for the account of the L/C Issuer immediately available funds from the Borrowers (i) in reimbursement of any payment made by the L/C Issuer under the Letter of Credit with respect to which any Lender has made a Participation Revolving Loan to the L/C Issuer or (ii) in payment of interest on such a payment made by the Administrative Agent under such a Letter of Credit, the L/C Issuer will pay to each Revolving Loan Lender, in the same funds as those received by the L/C Issuer, the amount of such Lender's Pro Rata Share of such funds, except the L/C Issuer shall retain the amount of the Pro Rata Share of such funds of any Revolving Loan Lender that did not make a Participation Revolving Loan in respect of such payment by the Administrative Agent.

(b) If the L/C Issuer is required at any time to return to the Borrowers, or to a trustee, receiver, liquidator, custodian, or any official in any insolvency proceeding, any portion of the payments made by the Borrowers to the L/C Issuer pursuant to Section 3.05(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Revolving Loan Lender shall, on demand of the L/C Issuer, forthwith return to the L/C Issuer the

amount of its Pro Rata Share of any amounts so returned by the L/C Issuer plus interest at the Federal Funds Effective Rate.

Section 3.06 Documentation. The Borrowers agree to be bound by the terms of the Letter of Credit Application and by the L/C Issuer's interpretations of any Letter of Credit issued for the Borrowers' Loan Account and by the L/C Issuer's written regulations and customary practices relating to letters of credit, though the L/C Issuer's interpretations may be different from the Borrowers' interpretations. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), the L/C Issuer shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following the Borrowers' instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

Section 3.07 Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the Administrative Agent shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

Section 3.08 Nature of Participation and Reimbursement Obligations. Each Revolving Loan Lender's obligation in accordance with this Agreement to make the Revolving Loans or Participation Revolving Loans as a result of a drawing under a Letter of Credit, and the obligations of the Borrowers to reimburse the L/C Issuer upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Article III under all circumstances, including the following circumstances:

(a) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrowers or any other Person for any reason whatsoever;

(b) the failure of the Borrowers or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in this Agreement for the making of a Revolving Loan, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Lenders to make Participation Revolving Loans under Section 3.04;

(c) any lack of validity or enforceability of any Letter of Credit, this Agreement or any other Loan Documents;

(d) any claim of breach of warranty that might be made by any Borrower or any Lender against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, crossclaim, defense or other right which any Borrower or any Lender may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), the Administrative Agent or any Lender or any other Person, whether in connection with this Agreement, such Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrowers or any of their Subsidiaries and the beneficiary for which any Letter of Credit was procured);

(e) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provisions of services relating to a Letter of Credit, in each case even if the Administrative Agent or any of the Administrative Agent ' s Affiliates has been notified thereof;

(f) except as provided in Section 3.07, any payment by the Administrative Agent under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(g) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(h) any failure by the Administrative Agent or the applicable L/C Issuer to issue any Letter of Credit in the form requested by the Administrative Borrower, unless the Administrative Agent has received written notice from the Administrative Borrower of such failure within three (3) Business Days after the Administrative Agent shall have furnished the Administrative Borrower a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(i) any Material Adverse Effect on any Borrower or any Guarantor;

(j) any breach of this Agreement or any Loan Document by any party thereto;

(k) the occurrence or continuance of an insolvency proceeding with respect to the Borrowers or any Guarantor;

(l) the fact that a Default or Event of Default shall have occurred and be continuing;

(m) the fact that the Final Maturity Date shall have expired or this Agreement or the Obligations hereunder shall have been terminated;

(n) any amendment or waiver of or any consent to departure from any Letter of Credit or any document relating thereto; and

(o) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Nothing contained in this Section 3.08 shall be deemed to relieve the L/C Issuer or the Administrative Agent from any claim by any Borrower for the gross negligence or willful misconduct of the L/C Issuer in respect of honoring or failing to honor any drawing under any Letter of Credit or otherwise in respect of any Letter of Credit, but any such claim may not be used as a defense to the Borrowers' obligation to reimburse the L/C Issuer for any such drawing.

Section 3.09 Indemnity. In addition to amounts payable as provided in Section 12.15 , the Borrowers hereby agree to protect, indemnify, pay and save harmless the Administrative Agent and the L/C Issuer from and against any and all claims, demands, liabilities, damages, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable and documented out-of-pocket fees, expenses and disbursements of outside counsel (provided, that, such obligation shall be limited to one primary outside counsel for the Administrative Agent and the L/C Issuer taken as a whole, absent a conflict of interest with respect to the Administrative Agent or the L/C Issuer (in which case, such affected Person may engage and be reimbursed for its own additional counsel)) which the Administrative Agent or any of the Administrative Agent ' s Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (a) the gross negligence , willful misconduct or bad faith of the Administrative Agent or the L/C Issuer (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (b) the wrongful dishonor by the Administrative Agent, the L/C Issuer, or any of the Administrative Agent ' s Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Authority (all such acts or omissions herein called " Governmental Acts "). Notwithstanding anything to the contrary in this Section 3.09 or elsewhere in this Agreement, this Section 3.09 shall not apply to Taxes, which shall be governed exclusively by Sections 2.09 and 2.10 .

Section 3.10 Liability for Acts and Omissions. As between the Borrowers and the Administrative Agent and Lenders, the Borrowers assume all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Administrative Agent shall not be responsible for: (a) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Administrative Agent shall have been notified thereof); (b) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (c) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of the Borrowers against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among Borrowers and any beneficiary of any Letter of Credit or any such transferee; (d) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (e) errors in interpretation of technical terms; (f) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (g) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (h) any consequences arising from causes beyond the control of the Administrative Agent, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of the Administrative Agent's rights or powers hereunder. Nothing in the preceding sentence shall relieve the Administrative Agent from liability for the Administrative Agent's gross negligence, willful misconduct or bad faith (as determined by a court of competent jurisdiction in a final non-appealable judgment) in

connection with actions or omissions described in such clauses (a) through (h) of such sentence. In no event shall the Administrative Agent or the Administrative Agent ' s Affiliates be liable to the Borrowers for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys ' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Administrative Agent and each of its Affiliates (i) may rely on any oral or other communication believed in good faith by the Administrative Agent or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit, (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by the Administrative Agent or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Administrative Agent or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each, an " Order ") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the Administrative Agent under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), shall not put the Administrative Agent under any resulting liability to the Borrowers or any Lender.

ARTICLE IV

APPLICATION OF PAYMENTS; DEFAULTING LENDERS; JOINT AND SEVERAL LIABILITY OF BORROWERS

Section 4.01 Payments; Computations and Statements. (a) The Borrowers will make each payment under this Agreement not later than 1:00 p.m. (New York City time) on the day when due, in lawful money of the United States of America and in immediately available funds, to the Administrative Agent's Account. All payments received by the Administrative Agent after 1:00 p.m. (New York City time) on any Business Day will be credited to the Loan Account on the next succeeding Business Day. All payments shall be made by the Borrowers without set-off, counterclaim, recoupment, deduction or other defense to the Agents and the Lenders, except as otherwise provided in Section 2.09 with respect to Taxes. Except as provided in Section 2.02, after receipt, the Administrative Agent will promptly

thereafter cause to be distributed like funds relating to the payment of principal ratably to the Lenders in accordance with their Pro Rata Shares and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. The Lenders and the Borrowers hereby authorize the Administrative Agent to, and the Administrative Agent may, from time to time, charge the Loan Account of the Borrowers with any amount due and payable by the Borrowers under any Loan Document. Each of the Lenders and the Borrowers agrees that the Administrative Agent shall have the right to make such charges whether or not any Default or Event of Default shall have occurred and be continuing or whether any of the conditions precedent in Section 5.02 have been satisfied. Any amount charged to the Loan Account of the Borrowers shall be deemed a Revolving Loan hereunder made by the Revolving Loan Lenders to the Borrowers, funded by the Administrative Agent on behalf of the Revolving Loan Lenders and subject to Section 2.02 of this Agreement. The Lenders and the Borrowers confirm that any charges which the Administrative Agent may so make to the Loan Account of the Borrowers as herein provided will be made as an accommodation to the Borrowers and solely at the Administrative Agent ' s discretion, provided that the Administrative Agent shall from time to time upon the request of the Collateral Agent, charge the Loan Account of the Borrowers with any amount due and payable under any Loan Document. Whenever any payment to be made under any such Loan Document shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in such case be included in the computation of interest or fees, as the case may be. All computations of fees shall be made by the Administrative Agent on the basis of a year of 360 days for the actual number of days. Each determination by the Administrative Agent of an interest rate or fees hereunder shall be conclusive and binding for all purposes in the absence of manifest error.

(a) The Administrative Agent shall provide the Administrative Borrower, promptly after the end of each calendar month, a summary statement (in the form from time to time used by the Administrative Agent) of the opening and closing daily balances in the Loan Account of the Borrowers during such month, the amounts and dates of all Loans made to the Borrowers during such month, the amounts and dates of all payments on account of the Loans to the Borrowers during such month and the Loans to which such payments were applied, the amount of interest accrued on the Loans to the Borrowers during such month, any Letters of Credit issued by the L/C Issuer for the account of the Borrowers during such month, specifying the face amount thereof, the amount of charges to the Loan Account and/or Loans made to the Borrowers during such month to reimburse the Revolving Loan Lenders for drawings made under Letters of Credit, and the amount and nature of any charges to the Loan Account made during such month on account of fees, commissions, expenses and other Obligations. All entries on any such statement shall be presumed to be correct and, 30 days after the same is sent, shall be final and conclusive absent manifest error.

Section 4.02 Sharing of Payments. Except as provided in Section 2.02 hereof, if any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any Obligation in excess of its ratable share of payments on account of similar obligations obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such similar obligations held by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that (a) if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and each Lender shall repay to the purchasing Lender the purchase price to the

extent of such recovery together with an amount equal to such Lender ' s ratable share (according to the proportion of (i) the amount of such Lender ' s required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid by the purchasing Lender in respect of the total amount so recovered and (b) the provisions of this Section shall not be construed to apply to (i) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Letters of Credit to any assignee or participant, other than to any Loan Party or any Subsidiary thereof (as to which the provisions of this Section shall apply). The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all of its rights (including the Lender ' s right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation.

Section 4.03 Apportionment of Payments. Subject to Section 2.02 hereof and to any written agreement among the Agents and/or the Lenders:

(a) All payments of principal and interest in respect of outstanding Loans, all payments in respect of the Reimbursement Obligations, all payments of fees (other than the fees set forth in Section 2.06 hereof to the extent set forth in any written agreement among the Agents and the Lenders, and fees with respect to Letters of Credit provided for in Section 2.06) and all other payments in respect of any other Obligations, shall be allocated by the Administrative Agent among such of the Lenders as are entitled thereto, in proportion to their respective Pro Rata Shares or otherwise as provided herein or, in respect of payments not made on account of Loans or Letter of Credit Obligations, as designated by the Person making payment when the payment is made.

(b) After the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and upon the direction of the Collateral Agent or the Required Lenders shall, apply all payments in respect of any Obligations, including without limitation, all proceeds of the Collateral, subject to the provisions of this Agreement, as follows:

(i) **except to the extent provided in clause (iii) below, with respect to Revolver Priority Collateral Proceeds and payments made using Revolver Priority Collateral Proceeds, (A) first, ratably to pay the Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Agents until paid in full; (B) second, ratably to pay the Revolving Loan Obligations in respect of any fees (other than any Applicable Premium), expense reimbursements, indemnities and other amounts then due and payable to the Revolving Loan Lenders or the L/C Issuer until paid in full; (C) third, to pay interest then due and payable in respect of the Agent Advances until paid in full; (D) fourth, to pay principal of the Agent Advances until paid in full; (E) fifth, ratably to pay interest then due and payable in respect of the Revolving Loans and Reimbursement Obligations until paid in full; (F) sixth, ratably to pay principal of the Revolving Loans and Letter of Credit Obligations (or, to the extent such Obligations are contingent, to provide cash collateral in respect of such Obligations), until paid in full; (G) seventh, ratably to pay the Bank Product Obligations in an amount not to exceed the amount of the Bank Product Reserve; (H) eighth, ratably to pay the Term Loan Obligations in respect of any fees (other than any Applicable Premium), expense reimbursements, indemnities and other amounts then due and payable to the Term Loan Lenders until paid in full; (I) ninth, ratably to pay interest then due and payable in respect of the Term Loan until paid in full; (J) tenth, ratably to pay principal of the Term Loan until paid in full; (K)**

eleventh, ratably to pay any Applicable Premium then due and payable in respect of the Revolving Credit Commitment until paid in full; (L) twelfth, ratably to pay any Applicable Premium then due and payable in respect of the Term Loan until paid in full; (M) thirteenth, ratably to pay the Bank Product Obligations to the extent not paid under clause (G) above until paid in full; and (N) fourteenth, to the ratable payment of all other Obligations then due and payable until paid in full.

(ii) except to the extent provided in clause (iii) below, with respect to Term Priority Collateral Proceeds and payments made using Term Priority Collateral Proceeds, (A) first, ratably to pay the Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Agents until paid in full; (B) second, ratably to pay the Term Loan Obligations in respect of any fees (other than any Applicable Premium), expense reimbursements, indemnities and other amounts then due and payable to the Term Loan Lenders until paid in full; (C) third, ratably to pay interest then due and payable in respect of the Agent Advances until paid in full; (D) fourth, ratably to pay principal of the Agent Advances until paid in full; (E) fifth, ratably to pay interest then due and payable in respect of the Term Loan until paid in full; (F) sixth, ratably to pay principal of the Term Loan until paid in full; (G) seventh, ratably to pay the Revolving Loan Obligations in respect of any fees (other than any Applicable Premium), expense reimbursements, indemnities and other amounts then due and payable to the Revolving Loan Lenders or the L/C Issuer until paid in full; (H) eighth, ratably to pay interest then due and payable in respect of the Revolving Loans and Reimbursement Obligations until paid in full; (I) ninth, ratably to pay principal of the Revolving Loans and Letter of Credit Obligations (or, to the extent such Obligations are contingent, to provide cash collateral in respect of such Obligations), until paid in full; (J) tenth, ratably to pay the Bank Product Obligations in an amount not to exceed the amount of the Bank Product Reserve; (K) eleventh, ratably to pay any Applicable Premium then due and payable in respect of the Term Loan until paid in full; (L) twelfth, ratably to pay any Applicable Premium then due and payable in respect of the Revolving Credit Commitment until paid in full; (M) thirteenth, ratably to pay the Bank Product Obligations to the extent not paid under clause (J) above until paid in full, and (N) fourteenth, to the ratable payment of all other Obligations then due and payable until paid in full; and

(iii) with respect to the Proceeds of any Disposition of all or substantially all of the assets or Equity Interests of any Person or any insurance which Disposition or proceeds of insurance includes both (x) Revolver Priority Collateral and (y) Term Priority Collateral, such Proceeds and payments using such Proceeds shall be applied in a manner mutually determined by the Agents acting reasonably and in good faith.

(c) For purposes of Section 4.03(b) (other than clause (N) of Section 4.03(b)(i) and clause (N) of Section 4.03(b) (ii)), "paid in full" means payment in cash of all amounts owing under the Loan Documents according to the terms thereof, including loan fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, and expense reimbursements, whether or not same would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding, except to the extent that default or overdue interest (but not any other interest) and loan fees, each arising from or related to a default, are disallowed in any Insolvency Proceeding; provided, however, that for the purposes of clause (N) of Section 4.03(b)(i) and clause (N) of

Section 4.03(b)(ii), "paid in full" means payment in cash of all amounts owing under the Loan Documents according to the terms thereof, including loan fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, and expense reimbursements, whether or not the same would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(d) In the event of a direct conflict between the priority provisions of this Section 4.03 and other provisions contained in any other Loan Document, it is the intention of the parties hereto that both such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 4.03 shall control and govern.

Section 4.04 Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.02.

(b) The Administrative Agent shall not be obligated to transfer to such Defaulting Lender any payments made by any Borrower to the Administrative Agent for such Defaulting Lender's benefit, and, in the absence of such transfer to such Defaulting Lender, the Administrative Agent shall transfer any such payments to each other non-Defaulting Lender ratably in accordance with their Pro Rata Shares (without giving effect to the Pro Rata Shares of such Defaulting Lender) (but only to the extent that such Defaulting Lender's Loans were funded by the other Lenders) or, if so directed by the Administrative Borrower and if no Default or Event of Default has occurred and is continuing (and to the extent such Defaulting Lender's Loans were not funded by the other Lenders), retain the same to be re-advanced to the Borrowers as if such Defaulting Lender had made such Loans to the Borrowers. Subject to the foregoing, the Administrative Agent may hold and, in its discretion, re-lend to the Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by the Administrative Agent for the account of such Defaulting Lender.

(c) Any such failure to fund by any Defaulting Lender shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle the Borrowers to replace the Defaulting Lender with one or more substitute Lenders, and the Defaulting Lender shall have no right to refuse to be replaced hereunder. Such notice to replace the Defaulting Lender shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given. Prior to the effective date of such replacement, the Defaulting Lender shall execute and deliver an Assignment and Acceptance, subject only to the Defaulting Lender being repaid its share of the outstanding Obligations without any premium or penalty of any kind whatsoever. If the Defaulting Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, the Defaulting Lender shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Defaulting Lender shall be made in accordance with the terms of Section 12.07.

(d) The operation of this Section 4.04 shall not be construed to increase or otherwise affect the Commitments of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to the Administrative Agent or to the Lenders other than such Defaulting Lender.

(e) This Section 4.04 shall remain effective with respect to such Lender until either (i) the Obligations under this Agreement shall have been declared or shall have become immediately due and payable or (ii) the non-Defaulting Lenders, the Agents, and the Borrowers shall have waived such Defaulting Lender's default in writing, and the Defaulting Lender makes its Pro Rata Share of the applicable defaulted Loans and pays to the Agents all amounts owing by such Defaulting Lender in respect thereof; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while such Lender was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

Section 4.05 Administrative Borrower; Joint and Several Liability of the Borrowers.

(a) Each Borrower hereby irrevocably appoints Parent as the borrowing agent and attorney-in-fact for the Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until the Agents shall have received prior written notice signed by all of the Borrowers that such appointment has been revoked and that another Borrower has been appointed to be the Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (i) to provide to the Agents and receive from the Agents all notices with respect to Loans obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and (ii) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Loans and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Loan Account and Collateral of the Borrowers in a combined fashion, as more fully set forth herein, is done solely as an accommodation to the Borrowers in order to utilize the collective borrowing powers of the Borrowers in the most efficient and economical manner and at their request, and that neither the Agents nor the Lenders shall incur liability to the Borrowers as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Loan Account and the Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group.

(b) Each Borrower hereby accepts joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Agents and the Lenders under this Agreement and the other Loan Documents, for the mutual benefit, directly and indirectly, of each of the Borrowers and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations. Each of the Borrowers, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers, with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this Section 4.05), it being the intention of the parties hereto that all of

the Obligations shall be the joint and several obligations of each of the Borrowers without preferences or distinction among them. If and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event, the other Borrowers will make such payment with respect to, or perform, such Obligation. Subject to the terms and conditions hereof, the Obligations of each of the Borrowers under the provisions of this Section 4.05 constitute the absolute and unconditional, full recourse Obligations of each of the Borrowers, enforceable against each such Person to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement, the other Loan Documents or any other circumstances whatsoever.

(c) The provisions of this Section 4.05 are made for the benefit of the Agents, the Lenders and their successors and assigns, and may be enforced by them from time to time against any or all of the Borrowers as often as occasion therefor may arise and without requirement on the part of the Agents, the Lenders or such successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any of the other Borrowers or to exhaust any remedies available to it or them against any of the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 4.05 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied.

(d) Each of the Borrowers hereby agrees that it will not enforce any of its rights of contribution or subrogation against the other Borrowers with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to the Agents or the Lenders with respect to any of the Obligations or any Collateral, until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to the Agents or the Lenders hereunder or under any other Loan Documents are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations.

ARTICLE V CONDITIONS TO LOANS

Section 5.01 Conditions Precedent to Effectiveness. This Agreement shall become effective as of the Business Day (the "Effective Date") when each of the following conditions precedent shall have been satisfied in a manner satisfactory to the Agents:

(a) Payment of Fees, Etc. The Borrowers shall have paid on or before the Effective Date all fees, costs, expenses and taxes then payable pursuant to Section 2.06 and Section 12.04 to the extent such fees and expenses are invoiced at least one day prior to the Effective Date.

(b) Representations and Warranties; No Event of Default. The following statements shall be true and correct: (i) the representations and warranties contained in Article VI and in each other Loan Document, certificate or other writing delivered to any Secured Party pursuant hereto or thereto on or prior to the Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or

warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of the Effective Date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct on and as of such earlier date) and (ii) no Default or Event of Default shall have occurred and be continuing on the Effective Date or would result from this Agreement or the other Loan Documents becoming effective in accordance with its or their respective terms.

(c) Legality. The making of the initial Loans or the issuance of any Letters of Credit shall not contravene any law, rule or regulation applicable to any Secured Party.

(d) Delivery of Documents. The Collateral Agent shall have received on or before the Effective Date the following, each in form and substance reasonably satisfactory to the Collateral Agent and, unless indicated otherwise, dated the Effective Date and, if applicable, duly executed by the Persons party thereto:

(i) a Security Agreement, together with the original stock certificates representing all of the Equity Interests and all promissory notes required to be pledged thereunder (if any), accompanied by undated stock powers executed in blank and other proper instruments of transfer;

(ii) a UCC Filing Authorization Letter, together with evidence satisfactory to the Collateral Agent of the filing of appropriate financing statements on Form UCC-1 in such office or offices as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests purported to be created by each Security Agreement and each Mortgage (to the extent that a security interest may be perfected by such filing in the property purported to be covered by such Security Agreement or Mortgage);

(iii) the results of searches for any effective UCC financing statements, tax Liens or judgment Liens filed against any Loan Party or its property, which results shall not show any such Liens (other than Permitted Liens acceptable to the Collateral Agent);

(iv) a Perfection Certificate;

(v) the PCC Acquisition Collateral Assignment;

(vi) the Disbursement Letter;

(vii) the Fee Letter;

(viii) the Intercompany Subordination Agreement;

(ix) a certificate of an Authorized Officer of each Loan Party, certifying (A) as to copies of the Governing Documents of such Loan Party, together with all amendments thereto (including, without limitation, a true and complete copy of the charter, certificate of formation, certificate of limited partnership or other publicly filed organizational document of each Loan Party certified as of a recent date not more than 30 days prior to the Effective Date by an

appropriate official of the jurisdiction of organization of such Loan Party which shall set forth the same complete name of such Loan Party as is set forth herein and the organizational number of such Loan Party, if an organizational number is issued in such jurisdiction), (B) as to a copy of the resolutions or written consents of such Loan Party authorizing (1) the borrowings hereunder and the transactions contemplated by the Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith, (C) the names and true signatures of the representatives of such Loan Party authorized to sign each Loan Document (in the case of a Borrower, including, without limitation, Notices of Borrowing, LIBOR Notices, Letter of Credit Applications and all other notices under this Agreement and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such authorized officers and (D) as to the matters set forth in Section 5.01(b) ;

(x) a certificate of the chief financial officer of the Parent (A) setting forth in reasonable detail the calculations required to establish that the Pro Forma Leverage Ratio does not exceed 3.90:1.00, (B) attaching a copy of the Financial Statements and the Projections described in Section 6.01(g)(ii) hereof and certifying as to the compliance with the representations and warranties set forth in Section 6.01(g)(i) and Section 6.01(cc)(ii) and (C) certifying that after giving effect to all Loans to be made on the Effective Date and the Letters of Credit to be issued on the Effective Date, (1) the Availability is not less than \$15,000,000 and (2) all liabilities of the Loan Parties are current;

(xi) a certificate of the chief financial officer of the Parent, certifying as to the matters set forth in Section 6.01(t)(i);

(xii) a certificate of an Authorized Officer of the Administrative Borrower certifying that (A) the attached copies of the PCC Acquisition Documents as in effect on the Effective Date are true, complete and correct copies thereof and (B) such agreements remain in full force and effect and that none of the Loan Parties has breached or defaulted in any of its obligations under such agreements;

(xiii) a certificate of the appropriate official(s) of the jurisdiction of organization and, except to the extent such failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, each jurisdiction of foreign qualification of each Loan Party certifying as of a recent date not more than 30 days prior to the Effective Date as to the subsistence in good standing of, and the payment of taxes by, such Loan Party in such jurisdictions;

(xiv) an opinion of Shearman & Sterling LLP, counsel to the Loan Parties, as to such matters as the Agents may reasonably request;

(xv) opinions of McDonald Carano Wilson LLP and Gordon Feinblatt LLC, each acting as local counsel to the Loan Parties, which opinions shall be in form and substance satisfactory to the Agents, as to such matters as the Agents may reasonably request;

7.01 ; (xvi) insurance certificates evidencing the insurance coverage of the Loan Parties required by Section

(xvii) (A) evidence of the payment in full of all Indebtedness under the Existing Credit Facilities (other than the Specified Existing Credit Facilities), (B) a termination and release agreement with respect to the Existing Credit Facilities (other than the Specified Existing Credit Facilities) and all related documents, duly executed by the applicable Loan Parties and the Existing Lenders, (C) a release agreement with respect to the Specified Existing Credit Facilities and all related documents, duly executed by the applicable Loan Parties and the Existing Lenders, (D) a satisfaction of mortgage for each mortgage filed by the Existing Lender on each Facility, (E) a termination of security interest in Intellectual Property for each assignment for security recorded by the Existing Lenders at the United States Patent and Trademark Office or the United States Copyright Office and covering any intellectual property of the Loan Parties, and (F) UCC-3 termination statements for all UCC-1 financing statements filed by the Existing Lenders and covering any portion of the Collateral.

(e) Material Adverse Effect. No event or development shall have occurred since September 30, 2014 which could reasonably be expected to have a Material Adverse Effect.

(f) Consummation of PCC Acquisition. Concurrently with the making of the initial Loans, (i) the Parent shall have purchased pursuant to the PCC Acquisition Documents (no provision of which shall have been amended or otherwise modified or waived in a manner adverse to the interests of the Agents and the Lenders without the prior written consent of the Agents), and shall have become the owner, free and clear of all Liens other than Permitted Liens, of all of the PCC Acquisition Assets and (ii) the proceeds of the initial Loans shall have been applied to pay the Purchase Price payable pursuant to the PCC Acquisition Documents for the PCC Acquisition Assets and the closing and other costs relating thereto.

(g) Approvals. All consents, authorizations and approvals of, and filings and registrations with, and all other actions in respect of, any Governmental Authority or other Person required in connection with the making of the Loans or the conduct of the Loan Parties' business shall have been obtained and shall be in full force and effect.

(h) Proceedings; Receipt of Documents. All proceedings in connection with the making of the initial Loans or the issuance of the initial Letters of Credit and the other transactions contemplated by this Agreement and the other Loan Documents, and all documents incidental hereto and thereto, shall be satisfactory to the Collateral Agent and its counsel, and the Collateral Agent and such counsel shall have received all such information and such counterpart originals or certified or other copies of such documents as the Collateral Agent or such counsel may reasonably request.

Section 5.02 Conditions Precedent to All Loans and Letters of Credit. The obligation of any Agent or any Lender to make any Loan or of the Administrative Agent to assist the Borrowers in establishing or opening any Letter of Credit after the Effective Date is subject to the fulfillment, in a manner satisfactory to the Administrative Agent, of each of the following conditions precedent:

(a) Payment of Fees, Etc. The Borrowers shall have paid all

fees, costs, expenses and taxes then payable by the Borrowers pursuant to this Agreement and the other Loan Documents, including, without limitation, Section 2.06 and Section 12.04 hereof.

(b) Representations and Warranties; No Event of Default. The following statements shall be true and correct, and the submission by the Administrative Borrower to the Administrative Agent of a Notice of Borrowing with respect to each such Loan, and the Borrowers' acceptance of the proceeds of such Loan, or the submission by the Borrowers of a Letter of Credit Application with respect to a Letter of Credit, and the issuance of such Letter of Credit, shall each be deemed to be a representation and warranty by each Loan Party on the date of such Loan or the date of issuance of such Letter of Credit that: (i) the representations and warranties contained in Article VI and in each other Loan Document, certificate or other writing delivered to any Secured Party pursuant hereto or thereto on or prior to the date of such Loan or such Letter of Credit are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct on and as of such earlier date), (ii) at the time of and after giving effect to the making of such Loan and the application of the proceeds thereof or at the time of issuance of such Letter of Credit, no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made, or the issuance of such Letter of Credit to be issued, on such date and (iii) the conditions set forth in this Section 5.02 have been satisfied as of the date of such request.

(c) Legality. The making of such Loan or the issuance of such Letter of Credit shall not contravene any law, rule or regulation applicable to any Secured Party.

(d) Notices. The Administrative Agent shall have received (i) a Notice of Borrowing pursuant to Section 2.02 hereof and (ii) a Letter of Credit Application pursuant to Section 3.03 hereof, if applicable.

Section 5.03 Conditions Subsequent to Effectiveness. As an accommodation to the Loan Parties, the Agents and the Lenders have agreed to execute this Agreement and to make the Loans on the Effective Date notwithstanding the failure by the Loan Parties to satisfy the conditions set forth below on or before the Effective Date. In consideration of such accommodation, the Loan Parties agree that, in addition to all other terms, conditions and provisions set forth in this Agreement and the other Loan Documents, including, without limitation, those conditions set forth in Section 5.01, the Loan Parties shall satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (it being understood that (i) the failure by the Loan Parties to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Agreement or any other Loan Document to be breached, the Required Lenders hereby waive such breach for the period from the Effective Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 5.03):

(a) not later than the date that is 15 Business Days after the Effective Date (or

such later date as agreed to in writing by the Collateral Agent in its sole discretion) , the Collateral Agent shall have received (i) an amendment to the SureTec Indemnity Agreement, in form an substance reasonably satisfactory to the Collateral Agent, or (ii) evidence reasonably satisfactory to it that the SureTec Indemnity Agreement has been terminated;

(b) not later than the date that is 10 Business Days after the Effective Date (or such later date as agreed to in writing by the Collateral Agent in its sole discretion), the Collateral Agent shall have received evidence of the insurance coverage required by Section 7.01 (other than the insurance certificates delivered pursuant to Section 5.01(d)), with such endorsements as to the additional insureds or lender loss payees thereunder as the Collateral Agent may request and providing that such policy may be terminated or canceled (by the insurer or the insured thereunder) only upon 30 days' prior written notice to the Collateral Agent and each such additional insured or lender loss payee, together with evidence of the payment of all premiums due in respect thereof for such period as the Collateral Agent may request;

(c) use commercially reasonable efforts until the date that is 45 days after the Effective Date to execute and deliver to the Collateral Agent a landlord waiver, in form and substance satisfactory to the Collateral Agent and which may be included as a provision contained in the relevant Lease, executed by each landlord with respect to (i) each of the following locations (the "Specified Locations"): (A) 2 Eaton Street, Suite 1002, Hampton, Virginia 23669 and (B) 4580 W Teco Avenue, Las Vegas, NV 89118 and (ii) each of the Leases set forth on Schedule III to the Security Agreement to the extent the book value of Collateral maintained at such location exceeds \$1,000,000 (when aggregated with all other Collateral at the same location); provided, that, notwithstanding this clause (c)(ii), the Loan Parties shall not be required to execute and deliver landlord waivers with respect to the Excluded Locations;

(d) use commercially reasonable efforts until the date that is 45 days after the Effective Date to execute and deliver to the Collateral Agent a collateral access agreement, in form and substance satisfactory to the Collateral Agent, executed by each Person who possesses Inventory of any Loan Party to the extent the book value of Collateral maintained at such location exceeds \$1,000,000 (when aggregated with all other Collateral at the same location); provided, that, notwithstanding this clause (c), the Loan Parties shall not be required to execute and deliver collateral access agreements with respect to the Excluded Locations;

(e) not later than the date that is 45 days after the Effective Date (or such later date as agreed to in writing by the Agents in their sole discretion), the Collateral Agent shall have received all Control Agreements required under Section 8.01(b); and

(f) subject to Section 7.01(p), not later than the date that is 60 days after the Effective Date (or such later date as agreed to in writing by the Collateral Agent in its sole discretion), the Collateral Agent shall have received the Real Property Deliverables with respect to each Facility.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.01 Representations and Warranties. Each Loan Party hereby represents and warrants to the

Secured Parties as follows:

(a) Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the state or jurisdiction of its organization, (ii) has all requisite power and authority to conduct its business as now conducted and as presently contemplated and, in the case of the Borrowers, to make the borrowings hereunder, and to execute and deliver each Loan Document to which it is a party, and to consummate the transactions contemplated thereby, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and in good standing could reasonably be expected to have a Material Adverse Effect.

(b) Authorization, Etc. The execution, delivery and performance by each Loan Party of each Loan Document to which it is or will be a party, (i) have been duly authorized by all necessary action, (ii) do not and will not contravene (A) any of its Governing Documents, (B) any applicable Requirement of Law or (C) any Contractual Obligation binding on or otherwise affecting it or any of its properties, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, and (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except, in the case of clauses (ii) (B), (ii)(C) and (iv), to the extent where such contravention, default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect.

(c) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution, delivery and performance by any Loan Party of any Loan Document to which it is or will be a party other than filings and recordings with respect to Collateral to be made, or otherwise delivered to the Collateral Agent for filing or recordation, on the Effective Date.

(d) Enforceability of Loan Documents. This Agreement is, and each other Loan Document to which any Loan Party is or will be a party, when delivered hereunder, will be, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(e) Capitalization. On the Effective Date, after giving effect to the transactions contemplated hereby to occur on the Effective Date, the authorized Equity Interests of each of the Subsidiaries of the Parent and the issued and outstanding Equity Interests of each of the Subsidiaries of the Parent are as set forth on Schedule 6.01(e). All of the issued and outstanding shares of Equity Interests of each of the Subsidiaries of the Parent have been validly issued and are fully paid and nonassessable, and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. All Equity Interests of such Subsidiaries of the Parent are owned directly or indirectly by the Parent free and clear of all Liens (other than Permitted Specified Liens). Except as described on Schedule

6.01 (e) , there are no outstanding debt or equity securities of the Parent or any of its Subsidiaries and no outstanding obligations of the Parent or any of its Subsidiaries convertible into or exchangeable for, or warrants, options or other rights for the purchase or acquisition from the Parent or any of its Subsidiaries, or other obligations of the Parent or any of its Subsidiaries to issue, directly or indirectly, any shares of Equity Interests of the Parent or any of its Subsidiaries.

(f) Litigation. Except as set forth in Schedule 6.01(f), there is no pending or, to the best knowledge of any Loan Party, threatened action, suit or proceeding affecting any Loan Party or any of its properties before any court or other Governmental Authority or any arbitrator that (i) if adversely determined, could reasonably be expected to have a Material Adverse Effect or (ii) relates to this Agreement or any other Loan Document or any transaction contemplated hereby or thereby.

(g) Financial Statements.

(i) The Financial Statements, copies of which have been delivered to each Agent and each Lender, fairly present in all material respects the consolidated financial condition of the Parent and its Subsidiaries as at the respective dates thereof and the consolidated results of operations of the Parent and its Subsidiaries for the fiscal periods ended on such respective dates, all in accordance with GAAP. All material indebtedness and other material liabilities (including, without limitation, Indebtedness, liabilities for taxes, long-term leases and other unusual forward or long-term commitments), direct or contingent, of the Parent and its Subsidiaries are set forth in the Financial Statements. Since September 30, 2014, no event or development has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

(ii) The Parent has heretofore furnished to each Agent and each Lender (A) projected balance sheets, income statements and statements of cash flows of the Parent and its Subsidiaries on a consolidated basis for the period from August 30, 2015 through December 31, 2015, and (B) projected annual balance sheets, income statements and statements of cash flows of the Parent and its Subsidiaries on a consolidated and consolidating basis for each calendar year ending in 2016 through 2019, which projected financial statements shall be updated solely as to each succeeding calendar year pursuant to Section 7.01(a)(vii).

(h) Compliance with Law, Etc. No Loan Party or any of its Subsidiaries is in violation of (i) any of its Governing Documents, (ii) any Requirement of Law, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect, or (iii) any term of any Contractual Obligation (including, without limitation, any Material Contract) binding on or otherwise affecting it or any of its properties, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect, and no default or event of default has occurred and is continuing thereunder.

(i) ERISA. Except as set forth on Schedule 6.01(i), (i) each Employee Plan is in compliance with ERISA and the Internal Revenue Code other than as could reasonably be expected to result in a Material Adverse Effect, (ii) no Termination Event has occurred nor is reasonably expected to occur with respect to any Employee Plan, (iii) no Employee Plan had an accumulated or waived funding deficiency or permitted decrease which would create a deficiency in its funding standard account or has applied for an extension of any amortization period within the meaning of Section 412 of the Internal Revenue Code at any time during the previous 60 months, and (iv) no Lien imposed under the Internal Revenue Code or ERISA exists or is likely to arise on account of any Employee Plan within the meaning of Section 412 of the Internal Revenue Code. Except as set forth on Schedule 6.01(i), no Loan Party or any of its ERISA Affiliates has incurred any withdrawal liability under ERISA with respect to any Multiemployer Plan, or is aware of any

facts indicating that it or any of its ERISA Affiliates may in the future incur any such withdrawal liability. No Loan Party or any of its ERISA Affiliates nor any fiduciary of any Employee Plan has, except as would not reasonably be expected to have a Material Adverse Effect, (i) engaged in a nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Internal Revenue Code, (ii) failed to pay any required installment or other payment required under Section 412 of the Internal Revenue Code on or before the due date for such required installment or payment, (iii) engaged in a transaction within the meaning of Section 4069 of ERISA or (iv) incurred any liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid. There are no pending or, to the best knowledge of any Loan Party, threatened claims, actions, proceedings or lawsuits (other than claims for benefits in the normal course) asserted or instituted against (i) any Employee Plan or its assets, (ii) any fiduciary with respect to any Employee Plan, or (iii) any Loan Party or any of its ERISA Affiliates with respect to any Employee Plan. Except as required by Section 4980B of the Internal Revenue Code, no Loan Party or any of its ERISA Affiliates maintains an employee welfare benefit plan (as defined in Section 3(1) of ERISA) which provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of any Loan Party or any of its ERISA Affiliates or coverage after a participant's termination of employment.

(j) Taxes, Etc. (i) All foreign, Federal and material provincial, state and local tax returns and other reports required by applicable Requirements of Law to be filed by any Loan Party have been filed, or extensions have been obtained, and (ii) all taxes, assessments and other governmental charges imposed upon any Loan Party or any property of any Loan Party in an aggregate amount for all such taxes, assessments and other governmental charges exceeding \$350,000 and which have become due and payable on or prior to the date hereof have been paid, except to the extent contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof on the Financial Statements in accordance with GAAP.

(k) Regulations T, U and X. No Loan Party is or will be engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U and X.

(l) Nature of Business.

(i) No Loan Party is engaged in any business other than as set forth on Schedule 6.01(l).

(ii) The Parent does not have any material liabilities (other than liabilities arising under the Loan Documents), own any material assets (other than the Equity Interests of its Subsidiaries) or engage in any operations or business (other than the ownership of its Subsidiaries).

(m) Adverse Agreements, Etc. No Loan Party or any of its Subsidiaries is a party to any Contractual Obligation or subject to any restriction or limitation in any Governing Document or any judgment, order, regulation, ruling or other requirement of a court or other Governmental Authority, which (either individually or in the aggregate) has, or in the future could reasonably be expected (either individually or in the aggregate) to have, a Material Adverse Effect.

(n) Permits, Etc. Each Loan Party has, and is in compliance with, all permits, licenses, authorizations, approvals, entitlements and accreditations required for such

Person lawfully to own, lease, manage or operate, or to acquire, each business and Facility currently owned, leased, managed or operated, or to be acquired, by such Person, except to the extent the failure to have or be in compliance therewith could not reasonably be expected to have a Material Adverse Effect. No condition exists or event has occurred which, in itself or with the giving of notice or lapse of time or both, would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such permit, license, authorization, approval, entitlement or accreditation, and there is no claim that any thereof is not in full force and effect.

(o) Properties. Each Loan Party has good and marketable title to, valid leasehold interests in, or valid licenses to use, all property and assets material to its business, free and clear of all Liens, except Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. All such properties and assets are in good working order and condition, ordinary wear and tear excepted.

(p) Employee and Labor Matters. There is (i) no unfair labor practice complaint pending or, to the best knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party which arises out of or under any collective bargaining agreement, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened against any Loan Party or (iii) to the best knowledge of each Loan Party, no union representation question existing with respect to the employees of any Loan Party and no union organizing activity taking place with respect to any of the employees of any Loan Party. No Loan Party or any of its ERISA Affiliates has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act ("WARN") or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of any Loan Party have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements. All payments due from any Loan Party on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of such Loan Party.

(q) Environmental Matters. Except as set forth on Schedule 6.01(q), (i) the operations of each Loan Party are in compliance with all Environmental Laws in all material respects; (ii) there has been no Release at any of the properties owned or operated by any Loan Party or a predecessor in interest, or at any disposal or treatment facility which received Hazardous Materials generated by any Loan Party or any predecessor in interest which could reasonably be expected to have a Material Adverse Effect; (iii) no Environmental Action has been asserted against any Loan Party or any predecessor in interest nor does any Loan Party have knowledge or notice of any threatened or pending Environmental Action against any Loan Party or any predecessor in interest which could reasonably be expected to have a Material Adverse Effect; (iv) no Environmental Actions have been asserted against any facilities that may have received Hazardous Materials generated by any Loan Party or any predecessor in interest which could reasonably be expected to have a Material Adverse Effect; (v) no property now or, to the knowledge any Loan Party, formerly owned or operated by a Loan Party has been used as a treatment or disposal site for any Hazardous Material; (vi) no Loan Party has failed to report to the proper Governmental Authority any Release which is required to be so reported by any Environmental Laws which could reasonably be expected to have a Material Adverse Effect; (vii) each Loan Party holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of the business carried on by it, except for such licenses, permits and approvals as to which a Loan Party's failure to maintain or comply with could not reasonably be expected to have a Material Adverse Effect; and (viii) no Loan Party has received

any notification pursuant to any Environmental Laws that (A) any work, repairs, construction or Capital Expenditures are required to be made as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto or (B) any license, permit or approval referred to above is about to be reviewed, made, subject to limitations or conditions, revoked, withdrawn or terminated, in each case, except as could not reasonably be expected to have a Material Adverse Effect.

(r) Insurance. Each Loan Party maintains the insurance and required services and financial assurance as required by law and as required by Section 7.01(h). Schedule 6.01(r) sets forth a list of all insurance maintained by each Loan Party on the Effective Date.

(s) Use of Proceeds. The proceeds of the Loans shall be used (y) on the Effective Date to (i) refinance the Existing Credit Facilities (other than the Specified Existing Credit Facilities), (ii) pay up to \$90,000,000 of the Purchase Price (as adjusted by working capital adjustments in accordance with the terms of the PCC Acquisition Agreement) payable pursuant to the PCC Acquisition Documents, (iii) pay fees and expenses in connection with the transactions contemplated hereby and (iv) fund working capital of the Borrowers, (z) on or after the First Amendment Effective Date to (i) fund up to \$7,000,000 of the purchase price for the Color Optics Acquisition, (ii) pay up to \$1,700,000 in the aggregate for employee severance expenses incurred and Capital Expenditures made in connection with the Color Optics Acquisition, (iii) repay up \$1,000,000 in principal amount of Revolving Loans outstanding as of the First Amendment Effective Date to the extent such Revolving Loans were used by the Borrowers to make Parent Buybacks in accordance with the Financing Agreement and (iv) fund general corporate and working capital purposes of the Borrowers and to pay fees and expenses related to the First Amendment (the amounts referred to in clauses (i) through (iv) of this clause (z), the "Term A Loan Disbursements"), (aa) on or after the Second Amendment Effective Date to (i) fund up to \$8,100,000 of the purchase price for the Vertex Acquisition, (ii) pay up to \$3,000,000 in the aggregate for Capital Expenditures to be made in connection with the Vertex Acquisition and (iii) fund general corporate and working capital purposes of the Borrowers and to pay fees and expenses related to the Second Amendment (the amounts referred to in clauses (ii) and (iii) of this clause (aa), the "Specified Disbursements"), (bb) on or after the Third Amendment Effective Date to (i) fund up to \$7,500,000 of the purchase price for the Moore-Langen Acquisition, (ii) pay up to \$1,000,000 in the aggregate for employee severance expenses incurred and Capital Expenditures to be made in connection with the Moore-Langen Acquisition and (iii) fund general corporate and working capital purposes of the Borrowers and to pay fees and expenses related to the Third Amendment (the amounts referred to in clauses (ii) and (iii) of this clause (bb), the "Moore-Langen Disbursements") and (cc) on and after the Fourth Amendment Effective Date, to fund certain Capital Expenditures and the Faneuil CapEx. After the Effective Date, the First Amendment Effective Date, the Second Amendment Effective Date, the Third Amendment Effective Date and the Fourth Amendment Effective Date, the proceeds of the Revolving Loans, the Incremental Term Loans (if any) and the Letters of Credit will be used for general corporate and working capital purposes of the Borrowers.

(t) Solvency. (i) After giving effect to the transactions contemplated by this Agreement and before and after giving effect to each Loan and Letter of Credit, each Loan Party is, and the Loan Parties on a consolidated basis are, Solvent. (ii) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

(u) Intellectual Property. Except as set forth on Schedule 6.01(u), each Loan Party owns or licenses or otherwise has the right to

use all Intellectual Property rights that are necessary for the operation of its business, without infringement upon or conflict with the rights of any other Person with respect thereto, except for such infringements and conflicts which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 6.01(u) is a complete and accurate list as of the Effective Date of (i) each item of Registered Intellectual Property owned by each Loan Party; and (ii) each material Intellectual Property Contract to which each Loan Party is bound. To the knowledge of each Loan Party, no trademark or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by such Loan Party infringes upon or conflicts with any rights owned by any other Person, and no claim or litigation regarding any of the foregoing is pending or threatened, except for such infringements and conflicts which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of each Loan Party, no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code pertaining to Intellectual Property is pending or proposed, which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(v) Material Contracts. Set forth on Schedule 6.01(v) is a complete and accurate list as of the Effective Date of all Material Contracts of each Loan Party, showing the parties and subject matter thereof and amendments and modifications thereto. Each such Material Contract (i) is in full force and effect and is binding upon and enforceable against each Loan Party that is a party thereto and, to the best knowledge of such Loan Party, all other parties thereto in accordance with its terms, (ii) has not been otherwise amended or modified, and (iii) is not in default due to the action of any Loan Party or, to the best knowledge of any Loan Party, any other party thereto.

(w) Investment Company Act. None of the Loan Parties is (i) an "investment company" or an "affiliated person" or "promoter" of, or "principal underwriter" of or for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended, or (ii) subject to regulation under any Requirement of Law that limits in any respect its ability to incur Indebtedness or which may otherwise render all or a portion of the Obligations unenforceable.

(x) Customers and Suppliers. There exists no actual or threatened termination, cancellation or limitation of, or modification to or change in, the business relationship that could reasonably be expected to have a Material Adverse Effect between (i) any Loan Party, on the one hand, and any customer or any group thereof, on the other hand, whose agreements with any Loan Party are individually or in the aggregate material to the business or operations of such Loan Party, or (ii) any Loan Party, on the one hand, and any supplier or any group thereof, on the other hand, whose agreements with any Loan Party are individually or in the aggregate material to the business or operations of such Loan Party; and there exists no present state of facts or circumstances that could give rise to or result in any such termination, cancellation, limitation, modification or change.

(y) Consummation of PCC Acquisition. The Parent has delivered to the Agents complete and correct copies of the PCC Acquisition Documents, including all schedules and exhibits thereto. The PCC Acquisition Documents, taken as a whole, set forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral, relating to the matters covered thereby. The execution, delivery and performance of the PCC Acquisition Documents has been duly authorized by all necessary action (including, without limitation, the obtaining of any consent of stockholders or other holders of Equity Interests required by law or by any applicable corporate or other organizational documents) on the part of each such Person. No authorization or approval or other action by, and no notice to

filing with or license from, any Governmental Authority is required for such sale other than such as have been obtained on or prior to the Effective Date. Each PCC Acquisition Document is the legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms. All conditions precedent to the PCC Acquisition Agreement have been fulfilled or waived (with the prior written consent of the Agents to the extent such waiver is adverse to the interests of the Agents and the Lenders), no PCC Acquisition Document has been amended or otherwise modified in a manner adverse to the interests of the Agents and the Lenders without the prior written consent of the Agents, and there has been no breach of any material term or condition of any PCC Acquisition Document.

(z) Anti-Terrorism Laws.

(i) None of the Loan Parties, nor any Affiliate of any of the Loan Parties, has violated or is in violation of any of the Anti-Terrorism Laws or has engaged in or conspired to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the Anti-Terrorism Laws.

(ii) None of the Loan Parties, nor any Affiliate of any of the Loan Parties, nor, to the knowledge of the Loan Parties, any officer, director or principal shareholder or owner of any of the Loan Parties, nor any of the Loan Parties' respective agents acting or benefiting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder, is a Blocked Person.

(iii) None of the Loan Parties, nor to the knowledge of the Loan Parties, any of their agents acting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder, (A) conducts any business with or for the benefit of any Blocked Person or engages in making or receiving any contribution of funds, goods or services to, from or for the benefit of any Blocked Person, or (B) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked or subject to blocking pursuant to any OFAC Sanctions Programs.

(iv) (A) No Covered Entity is a Sanctioned Person and (B) no Covered Entity, either in its own right or through any third party, (1) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law, (2) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, or (3) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(aa) Anti-Bribery and Anti-Corruption Laws.

(i) The Loan Parties are in compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") and the applicable anti-bribery and anti-corruption laws of those jurisdictions in which they do business (collectively, the "Anti-Corruption Laws").

(ii) None of the Loan Parties has at any time:

(A) offered, promised, paid, given, or authorized the payment or giving of any money, gift or other thing of value, directly or indirectly, to or for the benefit of any employee, official, representative, or other person acting on behalf of any foreign (i.e., non-U.S.)

Governmental Authority thereof, or of any public international organization, or any foreign political party or official thereof, or candidate for foreign political office (collectively, " Foreign Official "), for the purpose of: (1) influencing any act or decision of such Foreign Official in his, her, or its official capacity; or (2) inducing such Foreign Official to do, or omit to do, an act in violation of the lawful duty of such Foreign Official, or (3) securing any improper advantage, in order to obtain or retain business for, or with, or to direct business to, any Person; or

(B) acted or attempted to act in any manner which would subject any of the Loan Parties to liability under any Anti-Corruption Law.

(iii) There are, and have been, no allegations, investigations or inquiries with regard to a potential violation of any Anti-Corruption Law by any of the Loan Parties or to the knowledge of the Loan Parties, any of their respective current or former directors, officers, employees, stockholders or agents, or other persons acting or purporting to act on their behalf.

(iv) The Loan Parties have adopted, implemented and maintain anti-bribery and anti-corruption policies and procedures that are reasonably designed to ensure compliance with the Anti-Corruption Laws.

(bb) As of the Effective Date, the Phoenix Office Location and the Specified Locations are the only locations of the Loan Parties in which the Loan Parties maintain Account Receivable and account payable registers (other than any duplicates or copies of Account Receivable and/or account payable registers maintained at the Phoenix Office Location or one of the Specified Locations).

(cc) Full Disclosure.

(i) Each Loan Party has disclosed to the Agents all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other written information furnished by or on behalf of any Loan Party to the Agents (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which it was made, not materially misleading.

(ii) Projections, have been prepared on a reasonable basis and in good faith based on assumptions, estimates, methods and tests that are believed by the Loan Parties to be reasonable at the time such Projections were prepared and information believed by the Loan Parties to have been accurate based upon the information available to the Loan Parties at the time such Projections were furnished to the Lenders, and Parent is not be aware of any facts or information that would lead it to believe that such Projections are incorrect or misleading in any material respect; it being understood that (A) Projections are by their nature subject to significant uncertainties and contingencies, many of which are beyond the Loan Parties' control, (B) actual results may differ materially from the Projections and such variations may be material and (C) the Projections are not a guarantee of performance.

ARTICLE VII

COVENANTS OF THE LOAN PARTIES

Section 7.01 Affirmative Covenants. So long as any principal of or interest on any Loan, Reimbursement Obligation, Letter of Credit Obligation or any other Obligation (whether or not due) shall remain unpaid (other than Contingent Indemnity Obligations) or any Lender shall have any Commitment hereunder, each Loan Party will, unless the Required Lenders shall otherwise consent in writing:

(a) Reporting Requirements. Furnish to each Agent:

(i) as soon as available, and in any event within 30 days after the end of each fiscal month of the Parent and its Subsidiaries commencing with the first fiscal month of the Parent and its Subsidiaries ending after the Effective Date, internally prepared consolidated and consolidating balance sheets, statements of operations and retained earnings and statements of cash flows as at the end of such fiscal month, and for the period commencing at the end of the immediately preceding Fiscal Year and ending with the end of such fiscal month, setting forth in each case in comparative form (presented solely in "tabular" or "columnar" form) the figures for the corresponding date or period set forth in the Projections, all in reasonable detail and certified by an Authorized Officer of the Parent as fairly presenting, in all material respects, the financial position of the Parent and its Subsidiaries as at the end of such fiscal month and the results of operations, retained earnings and cash flows of the Parent and its Subsidiaries for such fiscal month and for such year-to-date period, in accordance with GAAP applied in a manner consistent with that of the most recent audited financial statements furnished to the Agents and the Lenders, subject to the absence of footnotes and normal year-end adjustments;

(ii) as soon as available and in any event within 45 days after the end of each fiscal quarter of the Parent and its Subsidiaries commencing with the first fiscal quarter of the Parent and its Subsidiaries ending after the Effective Date, consolidated and consolidating balance sheets, statements of operations and retained earnings and statements of cash flows of the Parent and its Subsidiaries as at the end of such quarter, and for the period commencing at the end of the immediately preceding Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form (presented solely in "tabular" or "columnar" form) the figures for the corresponding date or period set forth in (A) the financial statements for the immediately preceding Fiscal Year and (B) the Projections, all in reasonable detail and certified by an Authorized Officer of the Parent as fairly presenting, in all material respects, the financial position of the Parent and its Subsidiaries as of the end of such quarter and the results of operations and cash flows of the Parent and its Subsidiaries for such quarter and for such year-to-date period, in accordance with GAAP applied in a manner consistent with that of the most recent audited financial statements of the Parent and its Subsidiaries furnished to the Agents and the Lenders, subject to the absence of footnotes and normal year-end adjustments;

(iii) as soon as available, and in any event within:

(A) 90 days after the end of the Fiscal Year of the Parent and its Subsidiaries ended September 30, 2015, (1) unaudited consolidated balance sheets, statements of operations and retained earnings and statements of cash flows of the Parent and its Subsidiaries

and (2) separate consolidated balance sheets, statements of operations and retained earnings and statements of cash flows of each of (I) FNM and its Subsidiaries, (II) Faneuil and its Subsidiaries and (III) PCC and its Subsidiaries, in each case , as at the end of such Fiscal Year, setting forth in each case in comparative form (presented solely in "tabular" or "columnar" form) the figures for the corresponding date or period set forth in (x) the financial statements for the immediately preceding Fiscal Year, and (y) the Projections, all in reasonable detail and prepared in accordance with GAAP ; and

(B) 120 days after the end of the Fiscal Year of the Parent and its Subsidiaries ended September 30, 2016 and 90 days each Fiscal Year of the Parent and its Subsidiaries ended on and after September 30, 2017, consolidated and consolidating balance sheets, statements of operations and retained earnings and statements of cash flows of the Parent and its Subsidiaries, setting forth in each case in comparative form (presented solely in "tabular" or "columnar" form) the figures for the corresponding date or period set forth in (x) the financial statements for the immediately preceding Fiscal Year, and (y) the Projections, all in reasonable detail and prepared in accordance with GAAP;

in each case of clause (iii)(A)(2) and (iii)(B), accompanied by a report and an opinion, prepared in accordance with generally accepted auditing standards, of independent certified public accountants of recognized standing selected by the Parent and satisfactory to the Agents (which opinion shall be without (1) a "going concern" or like qualification or exception, (2) any qualification or exception as to the scope of such audit, or (3) any qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with the provisions of Section 7.03 (but that may contain a "going concern" or like qualification or exception solely as a result of the stated final maturity date of any Indebtedness within 12 months from the date of such opinion), together with a written statement of such accountants (x) to the effect that, in making the examination necessary for their certification of such financial statements, they have not obtained any knowledge of the existence of an Event of Default or a Default under Section 7.03 and (y) if such accountants shall have obtained any knowledge of the existence of an Event of Default or such Default, describing the nature thereof . It is acknowledged and agreed by all parties hereto that the delivery of financial statements pursuant to Section 7.01(a)(i), (ii) or (iii) above setting forth in comparative form the figures for the corresponding date or period set forth in the Projections previously delivered to the Agents pursuant to Section 5.01(d)(x) or Section 7.01(a)(vii), as applicable, does not constitute a representation or warranty by any Loan Party that such Projections included in such financial statements are true, accurate or complete in any respect, and all such Projections provided pursuant to such Sections speak only as of the date such Projections were delivered pursuant to Section 5.01(d)(x) or Section 7.01(a)(vii), as applicable. For the avoidance of doubt, the foregoing does not affect the Loan Parties' obligations to deliver Projections with respect to each calendar year pursuant to Section 7.01(a)(vii).

(iv) simultaneously with the delivery of the financial statements of the Parent and its Subsidiaries required by clauses (i), (ii) and (iii) of this Section 7.01(a), a Compliance Certificate executed by an Authorized Officer of the Parent:

(A) stating that such Authorized Officer has reviewed the provisions of this Agreement and the other Loan Documents and has made or caused to be made under his or her supervision a review of the condition and operations of the Parent and its Subsidiaries during the period covered by such financial statements with a view to determining whether the Parent and its Subsidiaries were in compliance with all of the provisions of this Agreement and such Loan Documents at the times such compliance is required hereby and thereby, and that such review has not disclosed, and such Authorized Officer has no knowledge of, the occurrence and continuance during such period of an Event of Default or Default or, if an Event of Default or Default had occurred and continued or is continuing, describing the nature and period of existence thereof and the action which the Parent and its Subsidiaries propose to take or have taken with respect thereto,

(B) in the case of the delivery of the financial statements of the Parent and its Subsidiaries required by clauses (ii) and (iii) of this Section 7.01(a), (1) attaching a schedule showing the calculation of the financial covenants specified in Section 7.03 and (2) including a discussion and analysis of the financial condition and results of operations of the Parent and its Subsidiaries for the portion of the Fiscal Year then elapsed and discussing the reasons for any significant variations from the Projections for such period and the figures for the corresponding period in the previous Fiscal Year, and

(C) in the case of the delivery of the financial statements of the Parent and its Subsidiaries required by clause (iii) of this Section 7.01(a), attaching (1) a summary of all material insurance coverage maintained as of the date thereof by any Loan Party and all material insurance coverage planned to be maintained by any Loan Party, together with such other insurance-related documents and information as the Administrative Agent may reasonably require, (2) the calculation of the Excess Cash Flow in accordance with the terms of Section 2.05(c)(i) and (3) confirmation that there have been no changes to the information contained in each of the Perfection Certificates delivered on the Effective Date or the date of the most recently updated Perfection Certificate delivered pursuant to this clause (iv) and/or attaching an updated Perfection Certificate identifying any such changes to the information contained therein;

(v) as soon as available and in any event within 22 days after the end of each fiscal month of the Parent and its Subsidiaries commencing with the first fiscal month of the Parent and its Subsidiaries ending after the Effective Date, reports in form and detail satisfactory to the Agents and certified by an Authorized Officer of the Administrative Borrower as being accurate and complete (A) listing all Accounts Receivable of the Loan Parties as of such day, which shall include the amount and age of each such Account Receivable, showing separately those which are more than 30, 60, 90 and 120 days old and a description of all Liens, set-offs, defenses and counterclaims with respect thereto, together with a reconciliation of such schedule with the schedule delivered to the Agents pursuant to this clause (v)(A) for the immediately preceding fiscal month, and such other information as any Agent may request, (B) listing all accounts payable of the Loan Parties as of each such day which shall include the amount and age of each such account payable and such other information as any Agent may request, and (C) listing all Inventory of the Loan Parties as of each such day, and containing a breakdown of such Inventory by type and amount, and such other information as any Agent may request, all in detail and in form satisfactory to the Agents;

(vi) as soon as available and in any event within 22 days after the end of each month commencing with the first month ending after the Effective Date, a Borrowing Base Certificate, current as of the close of business on the last calendar day of the immediately preceding calendar month, supported by schedules showing the derivation thereof and containing such detail and other information as any Agent may request from time to time, provided that (A) the Borrowing Base set forth in the Borrowing Base Certificate shall be effective from and including the date such Borrowing Base Certificate is duly received by the Agents but not including the date on which a subsequent Borrowing Base Certificate is received by the Agents, unless any Agent disputes the eligibility of any property included in the calculation of the Borrowing Base or the valuation thereof by notice of such dispute to the Administrative Borrower and (B) in the event of any dispute about the eligibility of any property included in the calculation of the Borrowing Base or the valuation thereof, such Agent's good faith judgment shall control ;

(vii) as soon as available and in any event not later than the end of each Fiscal Year, a certificate of an Authorized Officer of the Parent (A) attaching Projections for the Parent and its Subsidiaries, prepared on a monthly basis for the immediately succeeding Fiscal Year for the Parent and its Subsidiaries and otherwise in form and substance reasonably satisfactory to the Agents, and (B) certifying that the representations and warranties set forth in Section 6.01(cc)(ii) are true and correct with respect to such Projections;

(viii) promptly after submission to any Governmental Authority, all documents and information furnished to such Governmental Authority in connection with any investigation of any Loan Party other than routine inquiries by such Governmental Authority;

(ix) as soon as possible, and in any event within 3 days after the occurrence of an Event of Default or Default or the occurrence of any event or development that would reasonably be expected to have a Material Adverse Effect, the written statement of an Authorized Officer of the Administrative Borrower setting forth the details of such Event of Default or Default or other event or development having a Material Adverse Effect and the action which the affected Loan Party proposes to take with respect thereto;

(x) (A) as soon as possible and in any event within 10 days after any Loan Party or any ERISA Affiliate thereof knows or has reason to know that (1) any Reportable Event with respect to any Employee Plan has occurred, (2) any other Termination Event with respect to any Employee Plan has occurred, or (3) an accumulated funding deficiency has been incurred or an application has been made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including installment payments) or an extension of any amortization period under Section 412 of the Internal Revenue Code with respect to an Employee Plan, a statement of an Authorized Officer of the Administrative Borrower setting forth the details of such occurrence and the action, if any, which such Loan Party or such ERISA Affiliate proposes to take with respect thereto, (B) promptly and in any event within 3 days after receipt thereof by any Loan Party or any ERISA Affiliate thereof from the PBGC, copies of each notice received by any Loan Party or any ERISA Affiliate thereof of the PBGC's intention to terminate any Plan or to have a trustee appointed to administer any Plan, (C) promptly and in any event within 10 days after the filing thereof with the Internal Revenue Service if requested by any Agent, copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) with respect to each Employee Plan and Multiemployer Plan, (D) promptly and in any event within

10 days after any Loan Party or any ERISA Affiliate thereof knows or has reason to know that a required installment within the meaning of Section 412 of the Internal Revenue Code has not been made when due with respect to an Employee Plan, (E) promptly and in any event within 3 days after receipt thereof by any Loan Party or any ERISA Affiliate thereof from a sponsor of a Multiemployer Plan or from the PBGC, a copy of each notice received by any Loan Party or any ERISA Affiliate thereof concerning the imposition or amount of withdrawal liability under Section 4202 of ERISA or indicating that such Multiemployer Plan may enter reorganization status under Section 4241 of ERISA, and (F) promptly and in any event within 10 days after any Loan Party or any ERISA Affiliate thereof sends notice of a plant closing or mass layoff (as defined in WARN) to employees, copies of each such notice sent by such Loan Party or such ERISA Affiliate thereof;

(xi) promptly after the commencement thereof but in any event not later than 5 days after service of process with respect thereto on any Loan Party, or the obtaining of knowledge thereof by an Authorized Officer of any Loan Party, notice of each action, suit or proceeding before any court or other Governmental Authority or other regulatory body or any arbitrator which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(xii) as soon as possible and in any event within 5 days after execution, receipt or delivery thereof, copies of any material notices that any Loan Party executes or receives in connection with any Material Contract or any PCC Acquisition Document;

(xiii) as soon as possible and in any event within 5 days after execution, receipt or delivery thereof, copies of any material notices that any Loan Party executes or receives in connection with the sale or other Disposition of the Equity Interests of, or all or substantially all of the assets of, any Loan Party;

(xiv) as soon as possible and in any event within 10 Business Days after receipt, filing or delivery thereof, after (A) the sending or filing thereof, copies of all statements, reports and other information any Loan Party sends to any holders of its Indebtedness or its securities or files with the SEC or any national (domestic or foreign) securities exchange and (B) the receipt thereof, a copy of any material notice received from any holder of its Indebtedness;

(xv) promptly upon receipt thereof, copies of all financial reports (including, without limitation, management letters), if any, submitted to any Loan Party by its auditors in connection with any annual or interim audit of the books thereof;

(xvi) promptly upon request, any certification or other evidence requested from time to time by any Lender in its sole discretion, confirming the Borrowers' compliance with Section 7.02(r);

(xvii) simultaneously with the delivery of the financial statements of the Parent and its Subsidiaries required by clauses (i), (ii) and (iii) of this Section 7.01(a), if, as a result of any change in accounting principles and policies from those used in the preparation of the Financial Statements that is permitted by Section 7.02(q), the consolidated financial statements of the Parent and its Subsidiaries delivered pursuant to clauses (i), (ii) and (iii) of this Section 7.01(a) will differ from the consolidated financial statements that would have been delivered pursuant to

such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to the Agents; and

(xviii) promptly upon request, such other information concerning the condition or operations, financial or otherwise, of any Loan Party as any Agent may from time to time may reasonably request.

(b) Additional Borrowers, Guarantors and Collateral Security. Cause:

(i) each Subsidiary of any Loan Party not in existence on the Effective Date, and each Subsidiary of any Loan Party which is a non-borrowing Subsidiary on the Effective Date or upon formation or acquisition but later ceases to be a non-borrowing Subsidiary, to execute and deliver to the Collateral Agent promptly and in any event within 10 Business Days (45 Business Days in the case of the matters set forth in clause (C) below) (or, in each case, such later date as agreed to in writing by the Collateral Agent in its sole discretion) after the formation, acquisition or change in status thereof, (A) a Joinder Agreement, pursuant to which such Subsidiary shall be made a party to this Agreement as a Borrower or a Guarantor, (B) a supplement to the Security Agreement, together with (1) certificates evidencing all of the Equity Interests of any Person owned by such Subsidiary required to be pledged under the terms of the Security Agreement, (2) undated stock powers for such Equity Interests executed in blank with signature guaranteed, and (3) such opinions of counsel as the Collateral Agent may reasonably request, (C) to the extent required under the terms of this Agreement, one or more Mortgages creating on the real property of such Subsidiary a perfected, first priority Lien (in terms of priority, subject only to Permitted Specified Liens) on such real property and such other Real Property Deliverables as may be reasonably required by the Collateral Agent with respect to each such real property, and (D) such other agreements, instruments, approvals or other documents reasonably requested by the Collateral Agent in order to create, perfect, establish the first priority of or otherwise protect any Lien purported to be covered by any such Security Agreement or Mortgage or otherwise to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Loan Documents and that all property and assets of such Subsidiary shall become Collateral for the Obligations; and

(ii) each owner of the Equity Interests of any such Subsidiary to execute and deliver promptly and in any event within 10 Business Days (or such later date as agreed to in writing by the Collateral Agent in its sole discretion) after the formation or acquisition of such Subsidiary a Pledge Amendment (as defined in the Security Agreement), together with (A) certificates evidencing all of the Equity Interests of such Subsidiary required to be pledged under the terms of the Security Agreement, (B) undated stock powers or other appropriate instruments of assignment for such Equity Interests executed in blank with signature guaranteed, (C) such opinions of counsel as the Collateral Agent may reasonably request and (D) such other agreements, instruments, approvals or other documents requested by the Collateral Agent.

Notwithstanding the foregoing, no Subsidiary of a Foreign Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code shall be required to become a Guarantor hereunder (and, as such, shall not be required to deliver the

documents required by clause (i) above); provided, however, that if the Equity Interests of a Foreign Subsidiary are owned by a Loan Party, such Loan Party shall deliver all such documents, instruments, agreements (including, without limitation, at the reasonable request of the Collateral Agent, a pledge agreement governed by the laws of the jurisdiction of the organization of such Foreign Subsidiary) and certificates described in clause (ii) above to the Collateral Agent, and take all commercially reasonable actions reasonably requested by the Collateral Agent or otherwise necessary to grant and to perfect a first-priority Lien (subject to Permitted Specified Liens) in favor of the Collateral Agent, for the benefit of the Agents and the Lenders, in 65% of the voting Equity Interests of such Foreign Subsidiary and 100% of all other Equity Interests of such Foreign Subsidiary owned by such Loan Party. For the avoidance of doubt, the Loan Parties shall not be required to take any action in any foreign jurisdiction to create any security interest in any Collateral located or titled outside of the United States or to perfect any security interests in such Collateral to the extent the fair market value of any such Collateral (when aggregated with all Collateral located or titled outside of the United States) does not exceed \$2,000,000 in the aggregate, including, without limitation, delivery of any security agreements or pledge agreements with respect to such Collateral governed by the laws of any jurisdiction other than the United States.

(c) Compliance with Laws; Payment of Taxes.

(i) Comply, and cause each of its Subsidiaries to comply, in all material respects, with all Requirements of Law (including, without limitation, all Environmental Laws), judgments and awards (including any settlement of any claim that, if breached, could give rise to any of the foregoing), except to the extent the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(ii) Each Covered Entity shall comply with all Anti-Terrorism Laws, and the Borrowers shall promptly notify the Agents in writing upon the occurrence of a Reportable Compliance Event.

(iii) Pay, and cause each of its Subsidiaries to pay, in full before delinquency or before the expiration of any extension period, all taxes, assessments and other governmental charges imposed upon any Loan Party or any of its Subsidiaries or any property of any Loan Party or any of its Subsidiaries in an aggregate amount for all such taxes, assessments and other governmental charges exceeding \$350,000, except to the extent contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP.

(d) Preservation of Existence, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except to the extent that the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect.

(e) Keeping of Records and Books of Account. Keep, and cause each of its Subsidiaries to keep, adequate records and books of account, with complete entries made to permit the preparation of financial statements in accordance with GAAP.

(f) Inspection Rights. Permit, and cause each of its Subsidiaries to permit, the agents and representatives of any Agent at any time and from time to time during normal business hours, at the expense of the Borrowers, to examine and make copies of and abstracts from its records and books of account, to visit and inspect its properties, to verify materials, leases, notes, accounts receivable, deposit accounts and its other assets, to conduct audits, physical counts, valuations, appraisals, Phase I Environmental Site Assessments (and if recommended in the Phase I ESA and, if reasonably requested by the Collateral Agent based upon the results of such Phase I ESA and after consultation with the Parent, an ASTM 1527-00 Phase II Environmental Site Assessment) or examinations and to discuss its affairs, finances and accounts with any of its directors, officers, managerial employees, independent accountants or any of its other representatives. In furtherance of the foregoing, each Loan Party hereby authorizes its independent accountants, and the independent accountants of each of its Subsidiaries, to discuss the affairs, finances and accounts of such Person (independently or together with representatives of such Person) with the agents and representatives of any Agent in accordance with this Section 7.01(f).

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear and casualty excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder, except to the extent the failure to so maintain and preserve or so comply could not reasonably be expected to have a Material Adverse Effect.

(h) Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent, worker's compensation and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any Governmental Authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and in any event in amount, adequacy and scope reasonably satisfactory to the Collateral Agent. All policies covering the Collateral are to be made payable to the Collateral Agent for the benefit of the Agents and the Lenders, as its interests may appear, in case of loss, under a standard non-contributory "lender" or "secured party" clause and are to contain such other provisions as the Collateral Agent may require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of insurance are to be delivered to the Collateral Agent and the policies are to be premium prepaid, with the loss payable and additional insured endorsement in favor of the Collateral Agent and such other Persons as the Collateral Agent may designate from time to time, and shall provide for not less than 30 days' (10 days' in the case of non-payment) prior written notice to the Collateral Agent of the exercise of any right of cancellation. If any Loan Party or any of its Subsidiaries fails to maintain such insurance, the Collateral Agent may arrange for such insurance, but at the Borrowers' expense and without any responsibility on the Collateral Agent's part for obtaining the insurance, the solvency of the

insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the sole right, in the name of the Lenders, any Loan Party and its Subsidiaries, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. Notwithstanding the foregoing, the Loan Parties may self-insure with respect to certain risks related to workers' compensation and health benefit plans and (i) generally in accordance with sound business practice of companies in similar businesses similarly situated and (ii) in amount and scope as in effect on the Effective Date.

(i) Obtaining of Permits, Etc. Obtain, maintain and preserve, and cause each of its Subsidiaries to obtain, maintain and preserve, and take all necessary action to timely renew, all permits, licenses, authorizations, approvals, entitlements and accreditations that are necessary or useful in the proper conduct of its business, in each case, except to the extent the failure to obtain, maintain, preserve or take such action could not reasonably be expected to have a Material Adverse Effect.

(j) Environmental. (i) Keep any property either owned or operated by it or any of its Subsidiaries free of any Environmental Liens; (ii) comply, and cause each of its Subsidiaries to comply, with all Environmental Laws in all material respects and provide to the Collateral Agent any non-privileged documentation of such compliance which the Collateral Agent may reasonably request; (iii) provide the Agents written notice within 5 Business Days of any Release of a Hazardous Material in excess of any reportable quantity from or onto property at any time owned or operated by it or any of its Subsidiaries and take any Remedial Actions required to abate said Release; and (iv) provide the Agents with written notice within 10 days of the receipt of any of the following: (A) notice that an Environmental Lien has been filed against any property of any Loan Party or any of its Subsidiaries; (B) commencement of any Environmental Action or notice that an Environmental Action will be filed against any Loan Party or any of its Subsidiaries; and (C) notice of a violation, citation or other administrative order which could reasonably be expected to have a Material Adverse Effect.

(k) Fiscal Year. Cause the Fiscal Year of the Parent and its Subsidiaries to end on September 30 of each calendar year unless the Agents consent to a change in such Fiscal Year (and appropriate related changes to this Agreement).

(l) Landlord Waivers; Collateral Access Agreements. Use commercially reasonable efforts to obtain written subordinations or waivers or collateral access agreements, as the case may be, in form and substance satisfactory to the Collateral Agent, (i) at any time any Collateral with a book value in excess of \$1,000,000 (when aggregated with all other Collateral at the same location) is located on any real property of a Loan Party (whether such real property is now existing or acquired after the Effective Date) which is not owned by a Loan Party, or is stored on the premises of a bailee, warehouseman, or similar party and (ii) with respect to any location of the Loan Parties in which the Loan Parties maintain Account Receivable and account payable registers.

(m) After Acquired Real Property. Upon the acquisition by it or any of its Subsidiaries after the date hereof of any fee interest in any real property (wherever located) (each such interest being a " New Facility ") with a Current Value (as defined below) in excess of \$1,000,000, promptly, but in any event within 5 Business Days, so notify the Collateral Agent, setting forth with specificity a description of the interest acquired, the location of the real property, any structures or improvements thereon and either an appraisal or such Loan Party ' s good-faith estimate of the current value of such real property (for purposes of this Section, the " Current Value "). The Collateral Agent shall notify such Loan Party whether it intends to require a Mortgage (and any other Real Property Deliverables) with respect to such New Facility. Upon receipt of such notice requesting a Mortgage (and any other Real Property Deliverables), the Person that has acquired such New Facility shall furnish the same to the Collateral Agent within 45 days of such request (or such later date as agreed to in writing by the Collateral Agent in its sole discretion) . The Borrowers shall pay all fees and expenses, including, without limitation, reasonable attorneys ' fees and expenses, and all title insurance charges and premiums, in connection with each Loan Party ' s obligations under this Section 7.01(m) .

(n) Anti-Bribery and Anti-Corruption Laws. Maintain, and cause each of its Subsidiaries to maintain, anti-bribery and anti-corruption policies and procedures that are reasonably designed to ensure compliance with the Anti-Corruption Laws.

(o) Lender Meetings. Upon the request of any Agent or the Required Lenders (which request, so long as no Event of Default shall have occurred and be continuing, shall not be made more than once during each Fiscal Year), participate in a meeting with the Agents and the Lenders at the Borrowers' corporate offices (or at such other location as may be agreed to by the Administrative Borrower and such Agent or the Required Lenders) at such time as may be agreed to by the Administrative Borrower and such Agent or the Required Lenders.

(p) Carmel, New York Facility. In the event there has not been a Disposition of the Facility located in Carmel, New York prior to the one year anniversary of the Effective Date, deliver to the Collateral Agent the Real Property Deliverables with respect to such Facility within 45 days of the one year anniversary of the Effective Date (or such later date as agreed to in writing by the Collateral Agent in its sole discretion).

(q) Further Assurances. Take such action and execute, acknowledge and deliver, and cause each of its Subsidiaries to take such action and execute, acknowledge and deliver, at its sole cost and expense, such agreements, instruments or other documents as any Agent may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement and the other Loan Documents, (ii) to subject to valid and perfected first priority Liens any of the Collateral or any other property of any Loan Party and its Subsidiaries (to the extent required by this Agreement and the other Loan Documents), (iii) to establish and maintain the validity and effectiveness of any of the Loan Documents and the validity, perfection and priority of the Liens intended to be created thereby, and (iv) to better assure, convey, grant, assign, transfer and confirm unto each Secured Party the rights now or hereafter intended to be granted to it under this Agreement or any other Loan Document. In furtherance of the foregoing, to the maximum extent permitted by applicable law, each Loan Party (i) authorizes each Agent, at any time during the continuance of an Event of Default, to execute any such agreements, instruments or other documents in such Loan Party's name and to file such agreements, instruments or other

documents in any appropriate filing office, (ii) authorizes each Agent to file any financing statement required hereunder or under any other Loan Document, and any continuation statement or amendment with respect thereto, in any appropriate filing office without the signature of such Loan Party, and (iii) ratifies the filing of any financing statement, and any continuation statement or amendment with respect thereto, filed without the signature of such Loan Party prior to the date hereof.

Section 7.02 Negative Covenants. So long as any principal of or interest on any Loan, Reimbursement Obligation, Letter of Credit Obligation or any other Obligation (whether or not due) shall remain unpaid (other than Contingent Indemnity Obligations) or any Lender shall have any Commitment hereunder, each Loan Party shall not, unless the Required Lenders shall otherwise consent in writing:

(a) Liens, Etc. Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Lien upon or with respect to any of its properties, whether now owned or hereafter acquired; file or suffer to exist under the Uniform Commercial Code or any Requirement of Law of any jurisdiction, a financing statement (or the equivalent thereof) that names it or any of its Subsidiaries as debtor; sign or suffer to exist any security agreement authorizing any secured party thereunder to file such financing statement (or the equivalent thereof) other than, as to all of the above, Permitted Liens; provided, that, no Liens shall be permitted on any assets included in the Borrowing Base other than the Liens of the Collateral Agent for the benefit of the Agents and the Lenders.

(b) Indebtedness. Create, incur, assume, guarantee or suffer to exist, or otherwise become or remain liable with respect to, or permit any of its Subsidiaries to create, incur, assume, guarantee or suffer to exist or otherwise become or remain liable with respect to, any Indebtedness other than Permitted Indebtedness.

(c) Fundamental Changes; Dispositions.

(i) Wind-up, liquidate or dissolve, or merge, consolidate or amalgamate with any Person, including by means of a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law, or permit any of its Subsidiaries to do (or agree to do) any of the foregoing; provided, however, that any wholly-owned Subsidiary of any Loan Party (other than a Borrower) may be merged into such Loan Party or another wholly-owned Subsidiary of such Loan Party, or may consolidate or amalgamate with another wholly-owned Subsidiary of such Loan Party, so long as (A) no other provision of this Agreement would be violated thereby, (B) such Loan Party gives the Agents at least 15 days' prior written notice of such merger, consolidation or amalgamation accompanied by true, correct and complete copies of all material agreements, documents and instruments relating to such merger, consolidation or amalgamation, including, but not limited to, the certificate or certificates of merger or amalgamation to be filed with each appropriate Secretary of State (with a copy as filed promptly after such filing), (C) no Default or Event of Default shall have occurred and be continuing either before or after giving effect to such transaction, (D) the Lenders' rights in any Collateral, including, without limitation, the existence, perfection and priority of any Lien thereon, are not adversely affected by such merger, consolidation or amalgamation and (E) the surviving Subsidiary, if any, if not already a Loan Party, is joined as a Loan Party hereunder pursuant to a Joinder Agreement and is a party to a Security Agreement and the Equity Interests of such Subsidiary is the subject of a Security Agreement, in each case, which is in full force and effect on

the date of and immediately after giving effect to such merger, consolidation or amalgamation; and

(ii) Make any Disposition, whether in one transaction or a series of related transactions, of all or any part of its business, property or assets, whether now owned or hereafter acquired (or agree to do any of the foregoing), or permit any of its Subsidiaries to do any of the foregoing; provided, however, that any Loan Party and its Subsidiaries may make Permitted Dispositions.

(d) Change in Nature of Business.

(i) Make, or permit any of its Subsidiaries to make, any change in the nature of its business as described in Section 6.01(l); provided, that this Section 7.02(d) shall not prohibit Parent or any of its Subsidiaries from engaging in any business activities reasonably related or incidental to the business described in Section 6.01(l).

(ii) Permit the Parent to have any material liabilities (other than liabilities arising under the Loan Documents), own any material assets (other than the Equity Interests of its Subsidiaries) or engage in any operations or business (other than the ownership of its Subsidiaries).

(e) Loans, Advances, Investments, Etc. Make or commit or agree to make, or permit any of its Subsidiaries make or commit or agree to make, any Investment in any other Person except for Permitted Investments.

(f) Sale and Leaseback Transactions. Enter into, or permit any of its Subsidiaries to enter into, any Sale and Leaseback Transaction.

(g) Capital Expenditures. Make or commit or agree to make, or permit any of its Subsidiaries to make or commit or agree to make, any Capital Expenditure (by purchase or Capitalized Lease) that would cause the aggregate amount of all Capital Expenditures made by the Loan Parties and their Subsidiaries to exceed \$7,500,000 in any calendar year; provided, however, that if the amount of the Capital Expenditures permitted to be made in any calendar year is greater than the actual amount of the Capital Expenditures actually made in such calendar year (the amount by which such permitted Capital Expenditures for such calendar year exceeds the actual amount of Capital Expenditures for such calendar year, the "Excess Amount"), then up to 100% of such Excess Amount (such amount, the "Carry-Over Amount") may be carried forward to the next succeeding calendar year (the "Succeeding Calendar Period"); provided that (i) the Carry-Over Amount applicable to a particular Succeeding Calendar Period may not be carried forward to another calendar year (ii) in no event shall Capital Expenditures exceed, after the application of any Carry-Over Amount, \$9,500,000 in any calendar year. Capital Expenditures made by the Loan Parties and their Subsidiaries in any calendar year shall be deemed to reduce first, the amount set forth above for such calendar year, and then, the Carry-Over Amount.

(h) Restricted Payments. Make or permit any of its Subsidiaries to make any Restricted Payment other than Permitted Restricted Payments.

(i) Federal Reserve Regulations. Permit any Loan or the proceeds of any Loan under this Agreement to be used for any purpose that would cause such Loan to be a margin loan under the provisions of Regulation T, U or X of the Board.

(j) Transactions with Affiliates. Enter into, renew, extend or be a party to, or permit any of its Subsidiaries to enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any Affiliate, except (i) transactions consummated in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an Affiliate thereof, and that are fully disclosed to the Agents prior to the consummation thereof, if they involve one or more payments by the Parent or any of its Subsidiaries in excess of \$2,000,000 for any single transaction or series of related transactions, (ii) transactions with another Loan Party, (iii) transactions permitted by Section 7.02(e) and Section 7.02(h), (iv) sales of Qualified Equity Interests of the Parent to Affiliates of the Parent not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith, (v) reasonable and customary director and officer compensation (including bonuses and stock option programs), benefits and indemnification arrangements, in each case approved by the Board of Directors (or a committee thereof) of such Loan Party or such Subsidiary and (vi) transactions between or among non-Loan Party Subsidiaries not involving any Loan Party or any other Affiliate thereof.

(k) Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of any Loan Party (i) to pay dividends or to make any other distribution on any shares of Equity Interests of such Subsidiary owned by any Loan Party or any of its Subsidiaries, (ii) to pay or prepay or to subordinate any Indebtedness owed to any Loan Party or any of its Subsidiaries, (iii) to make loans or advances to any Loan Party or any of its Subsidiaries or (iv) to transfer any of its property or assets to any Loan Party or any of its Subsidiaries, or permit any of its Subsidiaries to do any of the foregoing; provided, however, that nothing in any of clauses (i) through (iv) of this Section 7.02(k) shall prohibit or restrict compliance with:

(A) this Agreement and the other Loan Documents;

(B) any agreement in effect on the date of this Agreement and described on Schedule 7.02(k), or any extension, replacement or continuation of any such agreement; provided, that, any such encumbrance or restriction contained in such extended, replaced or continued agreement is no less favorable to the Agents and the Lenders than the encumbrance or restriction under or pursuant to the agreement so extended, replaced or continued;

(C) any applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends or distributions in certain circumstances);

(D) in the case of clause (iv), (1) customary restrictions on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset and (2) instrument or other document evidencing a Permitted Lien (or the Indebtedness secured thereby) from restricting on customary terms the transfer of any property or assets subject thereto;

(E) customary restrictions on dispositions of real property interests in reciprocal easement agreements;

(F) customary restrictions in agreements for the sale of assets on the transfer or encumbrance of such assets during an interim period prior to the closing of the sale of such assets; or

(G) customary restrictions in contracts that prohibit the assignment of such contract.

(I) Limitations on Negative Pledges. Enter into, incur or permit to exist, or permit any Subsidiary to enter into, incur or permit to exist, directly or indirectly, any agreement, instrument, deed, lease or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Loan Party or any Subsidiary of any Loan Party to create, incur or permit to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, or that requires the grant of any security for an obligation if security is granted for another obligation, except the following: (i) this Agreement and the other Loan Documents, (ii) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 7.02(b) of this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (iii) any customary restrictions and conditions contained in agreements relating to the sale or other disposition of assets or of a Subsidiary pending such sale or other disposition; provided that such restrictions and conditions apply only to the assets or Subsidiary to be sold or disposed of and such sale or disposition is permitted hereunder, (iv) customary restrictions in leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto and (v) customary provisions restricting assignment of any agreement entered into in the ordinary course of business.

(m) Modifications of Indebtedness, Organizational Documents and Certain Other Agreements; Etc.

(i) Amend, modify or otherwise change (or permit the amendment, modification or other change in any manner of) any of the provisions of any of its or its Subsidiaries' Indebtedness (other than Indebtedness constituting Permitted Intercompany Indebtedness) or of any instrument or agreement (including, without limitation, any purchase agreement, indenture, loan agreement or security agreement) relating to any such Indebtedness if such amendment, modification or change would shorten the final maturity or average life to maturity of, or require any payment to be made earlier than the date originally scheduled on, such Indebtedness, would increase the interest rate applicable to such Indebtedness, would add any covenant or event of default, would change the subordination provision, if any, of such Indebtedness, or would otherwise be adverse to the Lenders or the issuer of such Indebtedness in any respect;

(ii) except for (1) the Obligations and (2) subject to the terms of the Intercompany Subordination Agreement, any Indebtedness constituting Permitted Intercompany Investments, (A) make any voluntary or optional payment (including, without limitation, any payment of interest in cash that, at the option of the issuer, may be paid in cash or in kind), prepayment, redemption, defeasance, sinking fund payment or other acquisition for value of any of its or its Subsidiaries' Indebtedness (including, without limitation, by way of depositing money or securities with the trustee therefor before the date required for the purpose of paying any portion of such Indebtedness when due), (B) refund, refinance, replace or exchange any other Indebtedness for any such Indebtedness (other than with respect to Permitted Refinancing Indebtedness), (C) make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Subordinated Indebtedness in violation of the subordination provisions thereof or any subordination agreement with respect thereto, or (D) make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Indebtedness as a result of any asset sale, change of control, issuance and sale of debt or equity securities or similar event, or give any notice with respect to any of the foregoing;

(iii) amend, modify or otherwise change any of its Governing Documents (including, without limitation, by the filing or modification of any certificate of designation, or any agreement or arrangement entered into by it) with respect to any of its Equity Interests (including any shareholders' agreement), or enter into any new agreement with respect to any of its Equity Interests, except any such amendments, modifications or changes or any such new agreements or arrangements pursuant to this clause (iii) that either individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect; or

(iv) agree to any amendment, modification or other change to or waiver of any of its rights under any Material Contract or any PCC Acquisition Document if such amendment, modification, change or waiver would be adverse in any material respect to any Loan Party or any of its Subsidiaries or the Agents and the Lenders.

(n) Investment Company Act of 1940. Engage in any business, enter into any transaction, use any securities or take any other action or permit any of its Subsidiaries to do any of the foregoing, that would cause it or any of its Subsidiaries to become subject to the registration requirements of the Investment Company Act of 1940, as amended, by virtue of being an "investment company" or a company "controlled" by an "investment company" not entitled to an exemption within the meaning of such Act.

(o) ERISA. (i) Engage, or permit any ERISA Affiliate to engage, in any transaction described in Section 4069 of ERISA; (ii) engage, or permit any ERISA Affiliate to engage, in any prohibited transaction described in Section 406 of ERISA or 4975 of the Internal Revenue Code for which a statutory or class exemption is not available or a private exemption has not previously been obtained from the U.S. Department of Labor; (iii) adopt or permit any ERISA Affiliate to adopt any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment other than as required by Section 601 of ERISA or applicable law; (iv) fail to make any contribution or payment to any Multiemployer Plan which it or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto; or (v) fail, or permit any ERISA Affiliate to fail, to pay any required

installment or any other payment required under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment.

(p) Environmental. Permit the use, handling, generation, storage, treatment, Release or disposal of Hazardous Materials at any property owned or leased by it or any of its Subsidiaries, except in compliance with Environmental Laws (other than any noncompliance that could not reasonably be expected to have a Material Adverse Effect).

(q) Accounting Methods. Modify or change, or permit any of its Subsidiaries to modify or change, its method of accounting or accounting principles from those utilized in the preparation of the Financial Statements (other than as may be required to conform to GAAP).

(r) Anti-Terrorism Laws.

(i) None of the Loan Parties, nor any of their Affiliates or agents, shall:

(A) conduct any business or engage in any transaction or dealing with or for the benefit of any Blocked Person, including the making or receiving of any contribution of funds, goods or services to, from or for the benefit of any Blocked Person;

(B) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked or subject to blocking pursuant to the OFAC Sanctions Programs;

(C) use any of the proceeds of the transactions contemplated by this Agreement to finance, promote or otherwise support in any manner any illegal activity, including, without limitation, any violation of the Anti-Terrorism Laws or any specified unlawful activity as that term is defined in the Money Laundering Control Act of 1986, 18 U.S.C. §§ 1956 and 1957; or

(D) violate, attempt to violate, or engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, any of the Anti-Terrorism Laws.

(ii) None of the Loan Parties, nor any Affiliate of any of the Loan Parties, nor any officer, director or principal shareholder or owner of any of the Loan Parties, nor any of the Loan Parties' respective agents acting or benefiting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder, shall be or shall become a Blocked Person.

(iii) (A) no Covered Entity will become a Sanctioned Person, (B) no Covered Entity, either in its own right or through any third party, will (i) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (iii) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (iv) use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (v) the funds used to repay the Obligations will not be derived from any

unlawful activity , (vi) each Covered Entity shall comply with all Anti-Terrorism Laws and (vii) the Borrowers shall promptly notify the Agents in writing upon the occurrence of a Reportable Compliance Event .

(s) Anti-Bribery and Anti-Corruption Laws. None of the Loan Parties shall:

(i) offer, promise, pay, give, or authorize the payment or giving of any money, gift or other thing of value, directly or indirectly, to or for the benefit of any Foreign Official for the purpose of: (1) influencing any act or decision of such Foreign Official in his, her, or its official capacity; or (2) inducing such Foreign Official to do, or omit to do, an act in violation of the lawful duty of such Foreign Official, or (3) securing any improper advantage, in order to obtain or retain business for, or with, or to direct business to, any Person; or

(ii) act or attempt to act in any manner which would subject any of the Loan Parties to liability under any Anti-Corruption Law.

(t) SunTrust Account. Maintain more than \$1,050,000 in the aggregate at any time in the SunTrust Account.

(u) Division. Notwithstanding anything herein to the contrary, neither the Parent nor any of its Subsidiaries shall divide or enter into any plan of division pursuant to Section 18-217 of the Delaware Limited Liability Company Act (or any similar statute or provision under applicable law).

Section 7.03 Financial Covenants. So long as any principal of or interest on any Loan, Reimbursement Obligation, Letter of Credit Obligation or any other Obligation (whether or not due) shall remain unpaid (other than Contingent Indemnity Obligations) or any Lender shall have any Commitment hereunder, each Loan Party shall not, unless the Required Lenders shall otherwise consent in writing:

(a) Leverage Ratio. Permit the Leverage Ratio of the Parent and its Subsidiaries for any period of 12 consecutive fiscal months of the Parent and its Subsidiaries for which the last month ends on the last day of each fiscal quarter to be greater than (i) 3.50:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2018 through the fiscal quarter ending June 30, 2019, (ii) 3.75:1.00 for each fiscal quarter beginning with the fiscal quarter ending September 30, 2019 through the fiscal quarter ending December 31, 2019, (iii) 3.50:1.00 for each fiscal quarter beginning with the fiscal quarter ending March 31, 2020 through the fiscal quarter ending September 30, 2020, (iv) 3.25:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2020 through the fiscal quarter ending September 30, 2021, (v) 3.00:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2021 through the fiscal quarter ending September 30, 2022 and (vi) 2.75:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2022 and for each fiscal quarter thereafter.

(b) Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio of the Parent and its Subsidiaries for any period of 12 consecutive fiscal months of the Parent and its Subsidiaries for which the last month ends on the last day of each fiscal quarter to be less than (i) 1.05:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2018 through the fiscal quarter ending September 30, 2020 and (ii) 1.10:1.00 for each fiscal quarter beginning with the fiscal quarter ending December 31, 2020 and for each fiscal quarter thereafter.

ARTICLE VIII

CASH MANAGEMENT ARRANGEMENTS AND OTHER COLLATERAL MATTERS

Section 8.01 Cash Management Arrangements; Collection of Accounts Receivable. (a) The Loan

Parties shall (i) establish and maintain cash management services of a type and on terms reasonably satisfactory to the Agents at one or more of the banks set forth on Schedule 8.01 (each a "Cash Management Bank") and (ii) except as otherwise provided under Section 8.01(b), deposit or cause to be deposited promptly, and in any event no later than the next Business Day after the date of receipt thereof, all proceeds in respect of any Collateral, all Collections (of a nature susceptible to a deposit in a bank account) and all other amounts received by any Loan Party (including payments made by Account Debtors directly to any Loan Party) into a Cash Management Account.

(a) Within 45 days after the Effective Date (or such later date as agreed to in writing by the Agents in their sole discretion), the Loan Parties shall enter into a Control Agreement relating to each Cash Management Account (other than Excluded Accounts); provided, that for each Cash Management Account acquired in connection with the Color Optics Acquisition, the Loan Parties shall enter into a Control Agreement relating to each such Cash Management Account (or, where practicable, subject such Cash Management Account to existing Control Agreements by means of an amendment, or an amendment and restatement, of one or more existing Control Agreements) within 15 days after the First Amendment Effective Date. Each Control Agreement shall direct the applicable Cash Management Bank to transfer any funds deposited in such accounts (other than Excluded Accounts and Operating Accounts) on a daily basis to the Administrative Agent's Account to be further credited to the respective Borrower's Loan Account (or in the case of Cash Management Accounts of any Guarantor, the Loan Account of the Borrower that is the direct parent of such Guarantor). Notwithstanding the foregoing, the applicable Control Agreement with respect to each Operating Account (including, without limitation, the SunTrust Account) shall provide that no such daily transfers shall occur until the occurrence of an Event of Default and upon notice to the applicable Cash Management Bank from the Collateral Agent. Within 45 days of the Effective Date (or such later date as agreed to in writing by the Agents in their sole discretion), each of the Loan Parties shall irrevocably instruct its respective Account Debtors, with respect to its Accounts Receivable, to remit all payments to be made by them, whether by means of checks or other drafts or by wire transfer, to a Collection Account. From and after the date that is 45 days following the Effective Date (or such later date as agreed to in writing by the Agents in their sole discretion), the Loan Parties shall not maintain, and shall not permit any of their Subsidiaries to maintain, cash, Cash Equivalents or other amounts in any deposit account or securities account, unless the Collateral Agent shall have received a Control Agreement in respect of each such Cash Management Account (other than Excluded Accounts).

(b) All funds deposited in such Cash Management Accounts (other than Excluded Accounts) shall immediately become subject to the security interest of Collateral Agent, for its own benefit and the benefit of the other Secured Parties. Neither Agents nor any Lender assumes any responsibility for such cash management arrangements, including any claim of accord and satisfaction or release with respect to deposits accepted by any Cash Management Bank thereunder. Administrative Agent shall apply all funds received by it from the Cash Management Accounts (other than Excluded Accounts) to the satisfaction of the Obligations (including the cash

collateralization of the Letters of Credit) as provided in this Agreement; provided that, in the absence of any Event of Default, the Administrative Agent shall apply all such funds only to the prepayment of the principal amount of the Revolving Loans and to such other Obligations as may then be due and payable (for the avoidance of doubt, funds on deposit in any Operating Account shall not be "swept" or otherwise transferred or applied by the Administrative Agent unless an Event of Default has occurred and is continuing) .

(c) So long as no Default or Event of Default has occurred and is continuing, the Borrowers may amend Schedule 8.01 to add or replace a Cash Management Bank or Cash Management Account; provided, however, that (i) such prospective Cash Management Bank shall be reasonably satisfactory to the Agents and the Collateral Agent shall have consented in writing in advance to the opening of such Cash Management Account with the prospective Cash Management Bank, and (ii) prior to the time of the opening of such Cash Management Account, each Loan Party and such prospective Cash Management Bank shall have executed and delivered to the Collateral Agent a Control Agreement. Each Loan Party shall close any of its Cash Management Accounts (and establish replacement cash management accounts in accordance with the foregoing sentence) promptly and in any event within 45 days of notice from the Collateral Agent that the creditworthiness of any Cash Management Bank is no longer acceptable in the Collateral Agent's reasonable judgment, or that the operating performance, funds transfer, or availability procedures or performance of such Cash Management Bank with respect to Cash Management Accounts or the Collateral Agent's liability under any Control Agreement with such Cash Management Bank is no longer acceptable in the Collateral Agent's reasonable judgment.

(d) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Administrative Agent on the date received by Administrative Agent. Administrative Agent shall conditionally credit the Loan Account for each item of payment on the next Business Day after the Business Day on which such item of payment is received by Administrative Agent (and the Business Day on which each such item of payment is so credited shall be referred to, with respect to such item, as the "Application Date"). Administrative Agent is not, however, required to credit the Loan Account for the amount of any item of payment which is unsatisfactory to Administrative Agent and Administrative Agent may charge the Loan Account for the amount of any item of payment which is returned, for any reason whatsoever, to Administrative Agent unpaid. Subject to the foregoing, Borrowers agree that for purposes of computing the interest charges under this Agreement, each item of payment received by Administrative Agent shall be deemed applied by Administrative Agent on account of the Obligations on its respective Application Date. Borrowers further agree that there is a monthly float charge payable to Administrative Agent for Administrative Agent's sole benefit, in an amount equal to (i) the face amount of all items of payment received during the prior month (including items of payment received by Administrative Agent as a wire transfer or electronic depository check) multiplied by (ii) the interest rate applicable to Revolving Loans that are Reference Rate Loans for one (1) Business Day.

(e) Nothing herein contained shall be construed to constitute any Agent as agent of any Loan Party for any purpose whatsoever, and the Agents shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof (other than from acts of omission or commission constituting gross negligence, bad faith, or willful misconduct as determined by a

final judgment of a court of competent jurisdiction). The Agents shall not, under any circumstance or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Accounts Receivable of any Loan Party or any instrument received in payment thereof or for any damage resulting therefrom (other than acts of omission or commission constituting gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction). The Agents, by anything herein or in any assignment or otherwise, do not assume any of the obligations under any contract or agreement assigned to any Agent and shall not be responsible in any way for the performance by any Loan Party of any of the terms and conditions thereof.

(f) If any Account Receivable of any Loan Party includes a charge for any tax payable to any Governmental Authority, each Agent is hereby authorized (but in no event obligated) in its discretion to pay the amount thereof to the proper taxing authority for such Loan Party's account and to charge the Borrowers therefor. The Borrowers shall notify the Agents if any Account Receivable of any Loan Party includes any taxes due to any such Governmental Authority and, in the absence of such notice, the Agents shall have the right to retain the full proceeds of such Account Receivable and shall not be liable for any taxes that may be due by reason of the sale and delivery creating such Account Receivable.

Section 8.02 Accounts Receivable Documentation. The Loan Parties will at such intervals as the Agents may require, execute and deliver confirmatory written assignments of the Accounts Receivable to the Agents and furnish such further schedules or information as any such Agent may require relating to the Accounts Receivable, including sales invoices or the equivalent, credit memos issued, remittance advices, reports and copies of deposit slips and copies of original shipping or delivery receipts for all merchandise sold. The items to be provided under this Section 8.02 are to be in form reasonably satisfactory to the Agents and are to be executed and delivered to the Agents from time to time solely for their convenience in maintaining records of the Collateral. The Loan Parties' failure to give any of such items to the Agents shall not affect, terminate, modify or otherwise limit the Collateral Agent's Lien on the Collateral. The Borrowers shall not re-date any invoice or sale or make sales on extended dating beyond that customary in the Borrowers' industry, and shall not re-bill any Accounts Receivable without promptly disclosing the same to the Agents and providing the Agents with a copy of such re-billing, identifying the same as such. If any Borrower becomes aware of anything materially detrimental to any of the Borrowers' customers' credit, the Borrowers will promptly advise the Agents thereof.

ARTICLE IX

EVENTS OF DEFAULT

Section 9.01 Events of Default. Each of the following events shall constitute an event of default (each, an "Event of Default"):

(a) any Borrower shall fail to pay, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), (i) any interest on any Loan, any Collateral Agent Advance or any fee, indemnity or other amount payable under this Agreement (other than any portion thereof constituting principal of the Loans or any Reimbursement Obligation) or any other Loan Document, and such failure continues for a period of 3 Business Days or (ii) all or any portion of the principal of the Loans or any Reimbursement Obligation;

(b) (i) any representation or warranty made or deemed made by or on behalf of any Loan Party or by any officer of the foregoing under or in connection with any Loan Document or under or in connection with any certificate or other writing delivered to any Secured Party pursuant to any Loan Document shall have been incorrect in any material respect (or in any respect if such representation or warranty is qualified or modified as to materiality or " Material Adverse Effect " in the text thereof) when made or deemed made , or (ii) a ny representation or warranty contained in Section 6.01(z) is or becomes false or misleading at any time ;

(c) any Loan Party shall fail to perform or comply with any covenant or agreement contained in Section 7.01(a), Section 7.01(c), Section 7.01(d), Section 7.01(f), Section 7.01(h), Section 7.01(k), Section 7.01(m), Section 7.01(o), Section 7.02 or Section 7.03 or Article VIII, or any Loan Party shall fail to perform or comply with any covenant or agreement contained in any Security Agreement to which it is a party or any Mortgage to which it is a party;

(d) any Loan Party shall fail to perform or comply with any other term, covenant or agreement contained in any Loan Document to be performed or observed by it and, except as set forth in subsections (a), (b) and (c) of this Section 9.01, such failure, if capable of being remedied, shall remain unremedied for 30 days after the earlier of the date any Loan Party has knowledge of such failure and the date written notice of such default shall have been given by any Agent to such Loan Party;

(e) any Loan Party shall fail to pay when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any principal, interest or other amount payable in respect of Indebtedness (excluding Indebtedness evidenced by this Agreement) having an aggregate amount outstanding in excess of \$1,000,000, and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or any other default under any agreement or instrument relating to any such Indebtedness, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case, prior to the stated maturity thereof;

(f) any Loan Party (i) shall institute any proceeding or voluntary case seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for any such Person or for any substantial part of its property, (ii) shall be generally not paying its debts as such debts become due or shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, or (iv) shall take any action to authorize or effect any of the actions set forth above in this subsection (f);

(g) any proceeding shall be instituted against any Loan Party seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, liquidation, winding up,

reorganization, arrangement, adjustment, protection, relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for any such Person or for any substantial part of its property, and either such proceeding shall remain undismissed or unstayed for a period of 45 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against any such Person or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property) shall occur;

(h) any material provision of any Loan Document shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against any Loan Party intended to be a party thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by any Loan Party or any Governmental Authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny in writing that it has any liability or obligation purported to be created under any Loan Document;

(i) any Security Agreement, any Mortgage or any other security document, after delivery thereof pursuant hereto, shall for any reason fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien in favor of the Collateral Agent for the benefit of the Agents and the Lenders on any Collateral with a fair market value of \$1,000,000 or more purported to be covered thereby;

(j) one or more judgments, orders or awards (or any settlement of any litigation or other proceeding that, if breached, could result in a judgment, order or award) for the payment of money exceeding \$1,000,000 in the aggregate (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has been notified and has not denied coverage) shall be rendered against any Loan Party and remain unsatisfied and (i) enforcement proceedings shall have been commenced by any creditor upon any such judgment, order, award or settlement or (ii) there shall be a period of 10 consecutive days after entry thereof during which (A) a stay of enforcement thereof is not be in effect or (B) the same is not vacated, discharged, stayed or bonded pending appeal;

(k) any Loan Party is enjoined, restrained or in any way prevented by the order of any court or any Governmental Authority from conducting, or otherwise ceases to conduct for any reason whatsoever, all or any material part of its business for more than 20 days;

(l) any material damage to, or loss, theft or destruction of, any Collateral, whether or not insured, or any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than 20 consecutive days, the cessation or substantial curtailment of revenue producing activities at any facility of any Loan Party, if any such event or circumstance would reasonably be expected to have a Material Adverse Effect;

(m) the loss, suspension or revocation of, or failure to renew, any license or permit now held or hereafter acquired by any Loan Party, if such loss, suspension, revocation or failure to renew would reasonably be expected to have a Material Adverse Effect;

(n) the indictment of any Loan Party or any senior officer thereof in connection with the performance of the duties of such senior officer for the Parent and its Subsidiaries under any criminal statute, or commencement of criminal or civil proceedings against any Loan Party or any senior officer thereof in connection with the performance of the duties of such senior officer for the Parent and its Subsidiaries, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture to any Governmental Authority of any material portion of the property of the Parent or its Subsidiaries;

(o) any Loan Party or any of its ERISA Affiliates shall have made a complete or partial withdrawal from a Multiemployer Plan, and, as a result of such complete or partial withdrawal, any Loan Party or any of its ERISA Affiliates incurs a withdrawal liability in an annual amount exceeding \$1,000,000; or a Multiemployer Plan enters reorganization status under Section 4241 of ERISA, and, as a result thereof any Loan Party's or any of its ERISA Affiliates' annual contribution requirements with respect to such Multiemployer Plan increases in an annual amount exceeding \$500,000;

(p) any Termination Event with respect to any Employee Plan shall have occurred, and, 30 days after notice thereof shall have been given to any Loan Party by any Agent, (i) such Termination Event (if correctable) shall not have been corrected, and (ii) the then current value of such Employee Plan's vested benefits exceeds the then current value of assets allocable to such benefits in such Employee Plan by more than \$500,000 (or, in the case of a Termination Event involving liability under Section 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 4971 or 4975 of the Internal Revenue Code, the liability is in excess of such amount);

(q) any event that causes liability under Section 409, 502(i) or 502(l) of ERISA in an amount exceeding \$500,000;
or

(r) a Change of Control shall have occurred;

then, and in any such event, the Collateral Agent may, and shall at the request of the Required Lenders, by notice to the Administrative Borrower, (i) terminate or reduce all Commitments, whereupon all Commitments shall immediately be so terminated or reduced, (ii) declare all or any portion of the Loans and Reimbursement Obligations then outstanding to be accelerated and due and payable, whereupon all or such portion of the aggregate principal of all Loans and Reimbursement Obligations, all accrued and unpaid interest thereon, all fees and all other amounts payable under this Agreement and the other Loan Documents shall become due and payable immediately, together with the payment of the Applicable Premium with respect to the Commitments so terminated and the Loans so repaid, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Loan Party and (iii) exercise any and all of its other rights and remedies under applicable law, hereunder and under the other Loan Documents; provided, however, that upon the occurrence of any Event of Default described in subsection (f) or (g) of this Section 9.01 with respect to any Loan Party, without any notice to any Loan Party or any other Person or any act by any Agent or any Lender, all Commitments shall automatically terminate and all Loans and Reimbursement Obligations then outstanding, together with all accrued and unpaid interest thereon, all fees and all other amounts due under this Agreement and the other Loan Documents, including, without limitation, the Applicable Premium, shall be accelerated and become due and payable automatically and

immediately, without presentment, demand, protest or notice of any kind, all of which are expressly waived by each Loan Party. Subject to Section 4.03(b), the Administrative Agent may, after the occurrence and during the continuation of any Event of Default, require the Borrowers to Cash Collateralize each Letter of Credit then outstanding. Such deposits shall be held by the Administrative Agent in the Letter of Credit Collateral Account as security for, and to provide for the payment of, the Letter of Credit Obligations and, upon the payment in full of all Letter of Credit Obligations, the payment of any other Obligations.

ARTICLE X

AGENTS

Section 10.01 Appointment. Each Lender (and each subsequent maker of any Loan by its making thereof) hereby irrevocably appoints, authorizes and empowers the Administrative Agent and the Collateral Agent to perform the duties of each such Agent as set forth in this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto, including: (i) to receive on behalf of each Lender any payment of principal or interest on the Loans outstanding hereunder and all other amounts accrued hereunder for the account of the Lenders and paid to such Agent, and, subject to Section 2.02 of this Agreement, to distribute promptly to each Lender its Pro Rata Share of all payments so received; (ii) to distribute to each Lender copies of all material notices and agreements received by such Agent and not required to be delivered to each Lender pursuant to the terms of this Agreement, provided that the Agents shall not have any liability to the Lenders for any Agent's inadvertent failure to distribute any such notices or agreements to the Lenders; (iii) to maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Loans, and related matters and to maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Collateral and related matters; (iv) to execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to this Agreement or any other Loan Document; (v) to make the Loans and Agent Advances, for such Agent or on behalf of the applicable Lenders as provided in this Agreement or any other Loan Document; (vi) to perform, exercise, and enforce any and all other rights and remedies of the Lenders with respect to the Loan Parties, the Obligations, or otherwise related to any of same to the extent reasonably incidental to the exercise by such Agent of the rights and remedies specifically authorized to be exercised by such Agent by the terms of this Agreement or any other Loan Document; (vii) to incur and pay such fees necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to this Agreement or any other Loan Document; (viii) subject to Section 10.03, to take such action as such Agent deems appropriate on its behalf to administer the Loans and the Loan Documents and to exercise such other powers delegated to such Agent by the terms hereof or the other Loan Documents (including, without limitation, the power to give or to refuse to give notices, waivers, consents, approvals and instructions and the power to make or to refuse to make determinations and calculations); and (ix) to act with respect to all Collateral under the Loan Documents, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations. As to any matters not expressly provided for by this Agreement and the other Loan Documents (including, without limitation, enforcement or collection of the Loans), the Agents shall not be required to exercise

any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), and such instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) shall be binding upon all Lenders and all makers of Loans; provided, however, that the L/C Issuer shall not be required to refuse to honor a drawing under any Letter of Credit and the Agents shall not be required to take any action which, in the reasonable opinion of any Agent, exposes such Agent to liability or which is contrary to this Agreement or any other Loan Document or applicable law.

Section 10.02 Nature of Duties; Delegation. (a) The Agents shall have no duties or responsibilities except those expressly set forth in this Agreement or in the other Loan Documents. The duties of the Agents shall be mechanical and administrative in nature. The Agents shall not have by reason of this Agreement or any other Loan Document a fiduciary relationship in respect of any Lender. Nothing in this Agreement or any other Loan Document, express or implied, is intended to or shall be construed to impose upon the Agents any obligations in respect of this Agreement or any other Loan Document except as expressly set forth herein or therein. Each Lender shall make its own independent investigation of the financial condition and affairs of the Loan Parties in connection with the making and the continuance of the Loans hereunder and shall make its own appraisal of the creditworthiness of the Loan Parties and the value of the Collateral, and the Agents shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into their possession before the initial Loan hereunder or at any time or times thereafter, provided that, upon the reasonable request of a Lender, each Agent shall provide to such Lender any documents or reports delivered to such Agent by the Loan Parties pursuant to the terms of this Agreement or any other Loan Document. If any Agent seeks the consent or approval of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) to the taking or refraining from taking any action hereunder, such Agent shall send notice thereof to each Lender. Each Agent shall promptly notify each Lender any time that the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) have instructed such Agent to act or refrain from acting pursuant hereto.

(a) Each Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact or any other Person (including any Lender). Any such Person shall benefit from this Article X to the extent provided by the applicable Agent.

Section 10.03 Rights, Exculpation, Etc. The Agents and their directors, officers, agents or employees shall not be liable for any action taken or omitted to be taken by them under or in connection with this Agreement or the other Loan Documents, except for their own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. Without limiting the generality of the foregoing, the Agents (i) may treat the payee of any Loan as the owner thereof until the Collateral Agent (and, with respect to Revolving Loans, Administrative Agent) receive written notice of the assignment or transfer thereof, pursuant to Section 12.07 hereof, signed by such payee and in form satisfactory to the Collateral Agent (and, with respect to Revolving Loans, Administrative Agent); (ii) may consult with legal counsel (including, without limitation, counsel to any Agent or counsel to the

Loan Parties), independent public accountants, and other experts selected by any of them and shall not be liable for any action taken or omitted to be taken in good faith by any of them in accordance with the advice of such counsel or experts; (iii) make no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, certificates, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Person, the existence or possible existence of any Default or Event of Default, or to inspect the Collateral or other property (including, without limitation, the books and records) of any Person; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (vi) shall not be deemed to have made any representation or warranty regarding the existence, value or collectibility of the Collateral, the existence, priority or perfection of the Collateral Agent ' s Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Agents be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral. The Agents shall not be liable for any apportionment or distribution of payments made in good faith pursuant to Section 4.03 , and if any such apportionment or distribution is subsequently determined to have been made in error, and the sole recourse of any Lender to whom payment was due but not made shall be to recover from other Lenders any payment in excess of the amount which they are determined to be entitled. The Agents may at any time request instructions from the Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the other Loan Documents the Agents are permitted or required to take or to grant, and if such instructions are promptly requested, the Agents shall be absolutely entitled to refrain from taking any action or to withhold any approval under any of the Loan Documents until they shall have received such instructions from the Required Lenders. Without limiting the foregoing, no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents).

Section 10.04 Reliance . Each Agent shall be entitled to rely upon any written notices, statements, certificates, orders or other documents or any telephone message believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the other Loan Documents and its duties hereunder or thereunder, upon advice of counsel selected by it.

Section 10.05 Indemnification . To the extent that any Agent or the L/C Issuer is not reimbursed and indemnified by any Loan Party, and whether or not such Agent or the L/C Issuer has made demand on any Loan Party for the same, the Lenders will, within five days of written demand by such Agent or the L/C Issuer, reimburse such Agent and the L/C Issuer for and indemnify such Agent and the L/C Issuer from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, client charges and expenses of counsel or any other advisor to such Agent or the L/C Issuer (provided, that in the case of legal expenses, the Borrowers' obligations shall be limited to one counsel to the Collateral Agent, one counsel to the Administrative Agent, one counsel to the other Lenders, and one local counsel in each relevant jurisdiction (unless a conflict arises, in which case the reasonable and documented fees and expenses of each conflicts counsel shall also

be reimbursed by the Borrowers)), advances or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Agent or the L/C Issuer in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted by such Agent or the L/C Issuer under this Agreement or any of the other Loan Documents, in proportion to each Lender's Pro Rata Share, including, without limitation, advances and disbursements made pursuant to Section 10.08 ; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, advances or disbursements for which there has been a final non-appealable judicial determination that such liability resulted from such Agent's or the L/C Issuer's gross negligence or willful misconduct. The obligations of the Lenders under this Section 10.05 shall survive the payment in full of the Loans and the termination of this Agreement.

Section 10.06 Agents Individually. With respect to its Pro Rata Share of the Total Commitment hereunder and the Loans made by it, each Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or maker of a Loan. The terms "Lenders" or "Required Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity as a Lender or one of the Required Lenders. Each Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with any Borrower as if it were not acting as an Agent pursuant hereto without any duty to account to the other Lenders.

Section 10.07 Successor Agent. (a) Any Agent may at any time give at least 30 days prior written notice of its resignation to the Lenders, the L/C Issuer and the Administrative Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Administrative Borrower, to appoint a successor Agent. If no such successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders and the L/C Issuer, appoint a successor Agent. Whether or not a successor Agent has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(a) With effect from the Resignation Effective Date, (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by such Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through such retiring Agent shall instead be made by or to each Lender and L/C Issuer directly, until such time, if any, as a successor Agent shall have been appointed as provided for above. Upon the acceptance of a successor's Agent's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article, Section 12.04 and Section 12.15 shall continue in effect for the benefit of such retiring Agent in respect of any actions taken or omitted to be taken by it while the retiring Agent was acting as Agent.

Section 10.08 Collateral Matters.

(a) Any Agent may from time to time make such disbursements and advances (" Agent Advances ") which such Agent, in its sole discretion, deems necessary or desirable to preserve, protect, prepare for sale or lease or dispose of the Collateral or any portion thereof, to enhance the likelihood or maximize the amount of repayment by the Borrowers of the Loans, Reimbursement Obligations, Letter of Credit Obligations and other Obligations or to pay any other amount chargeable to the Borrowers pursuant to the terms of this Agreement, including, without limitation, costs, fees and expenses as described in Section 12.04. The Agent Advances shall be repayable on demand and be secured by the Collateral and shall bear interest at a rate per annum equal to the rate then applicable to Loans that are Reference Rate Loans. The Agent Advances shall constitute Obligations hereunder which may be charged to the Loan Account in accordance with Section 4.01. The Agent making the Agent Advance shall notify the other Agent and each Lender and the Administrative Borrower in writing of each such Agent Advance, which notice shall include a description of the purpose of such Agent Advance. Without limitation to its obligations pursuant to Section 10.05, each Lender agrees that it shall make available to the Agent making the Agent Advance, upon such Agent's demand, in Dollars in immediately available funds, the amount equal to such Lender's Pro Rata Share of each such Agent Advance. If such funds are not made available to the Agent making such Agent Advance by such Lender, such Agent shall be entitled to recover such funds on demand from such Lender, together with interest thereon for each day from the date such payment was due until the date such amount is paid to such Agent, at the Federal Funds Effective Rate for three Business Days and thereafter at the Reference Rate.

(b) The Lenders hereby irrevocably authorize the Collateral Agent, at its option and in its discretion, to release any Lien granted to or held by the Collateral Agent upon any Collateral upon termination of the Total Commitment and payment and satisfaction of all Loans, Reimbursement Obligations, Letter of Credit Obligations, and all other Obligations (other than Contingent Indemnification Obligations) in accordance with the terms hereof; or constituting property being sold or disposed of in the ordinary course of any Loan Party's business or otherwise in compliance with the terms of this Agreement and the other Loan Documents; or constituting property in which the Loan Parties owned no interest at the time the Lien was granted or at any time thereafter; or if approved, authorized or ratified in writing by the Lenders in accordance with Section 12.02. Upon request by the Collateral Agent at any time, the Lenders will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section 10.08(b).

(c) Without in any manner limiting the Collateral Agent's authority to act without any specific or further authorization or consent by the Lenders (as set forth in Section 10.08(b)), each Lender agrees to confirm in writing, upon request by the Collateral Agent, the authority to release Collateral conferred upon the Collateral Agent under Section 10.08(b). Upon receipt by the Collateral Agent of confirmation from the Lenders of its authority to release any particular item or types of Collateral, and upon prior written request by any Loan Party, the Collateral Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Collateral Agent for the benefit of the Agents and the Lenders upon such Collateral; provided, however, that (i) the Collateral Agent shall not be required to execute any such document on terms which, in the Collateral Agent's opinion, would expose the Collateral Agent to liability or create any obligations or entail any consequence other than the release of such Liens without recourse or warranty, and

(ii) such release shall not in any manner discharge, affect or impair the Obligations or any Lien upon (or obligations of any Loan Party in respect of) all interests in the Collateral retained by any Loan Party.

(d) Anything contained in any of the Loan Documents to the contrary notwithstanding, the Loan Parties, each Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral under any Loan Document or to enforce any Guaranty, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Collateral Agent for the benefit of the Lenders in accordance with the terms thereof, (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale, the Administrative Agent, the Collateral Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and (iii) the Collateral Agent, as agent for and representative of the Agents and the Lenders (but not any other Agent or any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled (either directly or through one or more acquisition vehicles) for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral to be sold (A) at any public or private sale, (B) at any sale conducted by the Collateral Agent under the provisions of the Uniform Commercial Code (including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code), (C) at any sale or foreclosure conducted by the Collateral Agent (whether by judicial action or otherwise) in accordance with applicable law or (D) any sale conducted pursuant to the provisions of any Debtor Relief Law (including Section 363 of the Bankruptcy Code), to use and apply all or any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale.

(e) The Collateral Agent shall have no obligation whatsoever to any Lender to assure that the Collateral exists or is owned by the Loan Parties or is cared for, protected or insured or has been encumbered or that the Lien granted to the Collateral Agent pursuant to this Agreement or any other Loan Document has been properly or sufficiently or lawfully created, perfected, protected or enforced or is entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to the Collateral Agent in this Section 10.08 or in any other Loan Document, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, given the Collateral Agent's own interest in the Collateral as one of the Lenders and that the Collateral Agent shall have no duty or liability whatsoever to any other Lender, except as otherwise provided herein.

Section 10.09 Agency for Perfection. Each Agent and each Lender hereby appoints each other Agent and each other Lender as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral in assets which, in accordance with Article 9 of the Uniform Commercial Code, can be perfected only by possession or control (or where the security interest of a secured party with possession or control has priority over the security interest of another secured party) and each Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the Agents and the Lenders as secured party. Should the Administrative Agent or any Lender obtain possession or control of any such Collateral, the Administrative Agent or such Lender shall

notify the Collateral Agent thereof, and, promptly upon the Collateral Agent ' s request therefor shall deliver such Collateral to the Collateral Agent or in accordance with the Collateral Agent ' s instructions. In addition, the Collateral Agent shall also have the power and authority hereunder to appoint such other sub-agents as may be reasonably necessary or required under applicable state law or otherwise to perform its duties and enforce its rights with respect to the Collateral and under the Loan Documents. Each Loan Party by its execution and delivery of this Agreement hereby consents to the foregoing.

Section 10.10 No Reliance on any Agent's Customer Identification Program.

(a) Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on any Agent to carry out such Lender's, Affiliate's, participant's or assignee' s customer identification program, or other requirements imposed by the USA PATRIOT Act or the regulations issued thereunder, including the regulations set forth in 31 C.F.R. §§ 1010.100(yy), (iii), 1020.100, and 1020.220 (formerly 31 C.F.R. § 103.121), as hereafter amended or replaced ("CIP Regulations"), or any other Anti-Terrorism Laws, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (1) any identity verification procedures, (2) any recordkeeping, (3) comparisons with government lists, (4) customer notices or (5) other procedures required under the CIP Regulations or other regulations issued under the USA PATRIOT Act. Each Lender, Affiliate, participant or assignee subject to Section 326 of the USA PATRIOT Act will perform the measures necessary to satisfy its own responsibilities under the CIP Regulations.

(b) Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to each Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within ten (10) days after the Closing Date, and (2) as such other times as are required under the USA PATRIOT Act.

(c) The USA PATRIOT Act requires all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, any Agent or Lender may from time to time request, and each Loan Party shall provide to such Agent or Lender, such Borrower's name, address, tax identification number and/or such other identifying information as shall be necessary for Lender to comply with the USA PATRIOT Act and any other Anti-Terrorism Law.

Section 10.11 No Third Party Beneficiaries. The provisions of this Article are solely for the benefit of the Secured Parties, and no Loan Party shall have rights as a third-party beneficiary of any of such provisions.

Section 10.12 No Fiduciary Relationship. It is understood and agreed that the use of the term "agent" herein or in any other Loan Document (or any other similar term) with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only

an administrative relationship between contracting parties.

Section 10.13 Reports; Confidentiality; Disclaimers. By becoming a party to this Agreement, each

Lender:

(a) is deemed to have requested that each Agent furnish such Lender, promptly after it becomes available, a copy of each field audit or examination report with respect to the Parent or any of its Subsidiaries (each, a "Report") prepared by or at the request of such Agent, and each Agent shall so furnish each Lender with each such Report,

(b) expressly agrees and acknowledges that the Agents (i) do not make any representation or warranty as to the accuracy of any Reports, and (ii) shall not be liable for any information contained in any Reports,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that any Agent or other party performing any audit or examination will inspect only specific information regarding the Parent and its Subsidiaries and will rely significantly upon the Parent's and its Subsidiaries' books and records, as well as on representations of their personnel,

(d) agrees to keep all Reports and other material, non-public information regarding the Parent and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 12.19, and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold any Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrowers, and (ii) to pay and protect, and indemnify, defend and hold any Agent and any other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by any such Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

Section 10.14 Collateral Custodian (a). Upon the occurrence and during the continuance of any Default or Event of Default, the Collateral Agent or its designee may at any time and from time to time employ and maintain on the premises of any Loan Party a custodian selected by the Collateral Agent or its designee who shall have full authority to do all acts necessary to protect the Agents' and the Lenders' interests. Each Loan Party hereby agrees to, and to cause its Subsidiaries to, cooperate with any such custodian and to do whatever the Collateral Agent or its designee may reasonably request to preserve the Collateral. All costs and expenses incurred by the Collateral Agent or its designee by reason of the employment of the custodian shall be the responsibility of the Borrowers and charged to the Loan Account.

Section 10.15 Collateral Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Collateral Agent (irrespective of whether the principal of any Loan or Reimbursement Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective

of whether any Agent shall have made any demand on the Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Reimbursement Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Secured Parties (including any claim for the compensation, expenses, disbursements and advances of the Secured Parties and their respective agents and counsel and all other amounts due the Secured Parties hereunder and under the other Loan Documents (provided, that in the case of legal expenses, the Borrowers' obligations shall be limited to one counsel to the Collateral Agent, one counsel to the Administrative Agent, one counsel to the other Lenders, and one local counsel in each relevant jurisdiction (unless a conflict arises, in which case the reasonable and documented fees and expenses of each conflicts counsel shall also be reimbursed by the Borrowers)) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Collateral Agent and, in the event that the Collateral Agent shall consent to the making of such payments directly to the Secured Parties, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its agents and counsel, and any other amounts due the Collateral Agent hereunder and under the other Loan Documents.

ARTICLE XI GUARANTY

Section 11.01 Guaranty. Each Guarantor hereby jointly and severally and unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of the Borrowers now or hereafter existing under any Loan Document, whether for principal, interest (including, without limitation, all interest that accrues after the commencement of any Insolvency Proceeding of any Borrower, whether or not a claim for post-filing interest is allowed in such Insolvency Proceeding), Letter of Credit Obligations, fees, commissions, expense reimbursements, indemnifications or otherwise (such obligations, to the extent not paid by the Borrowers, being the "Guaranteed Obligations"), and agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Secured Parties in enforcing any rights under the guaranty set forth in this Article XI. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrowers to the Secured Parties under any Loan Document but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Borrower. Notwithstanding any of the foregoing, Guaranteed Obligations shall not include any Excluded Hedge Liabilities. In no event shall the obligation of any Guarantor hereunder exceed the maximum amount such Guarantor could guarantee under any Debtor Relief Law.

Section 11.02 Guaranty Absolute. Each Guarantor jointly and severally guarantees that the Guaranteed

Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Secured Parties with respect thereto. Each Guarantor agrees that this Article XI constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be made by any Agent or any Lender to any Collateral. The obligations of each Guarantor under this Article XI are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any Loan Party or whether any Loan Party is joined in any such action or actions. The liability of each Guarantor under this Article XI shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Loan Party or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) the existence of any claim, set-off, defense or other right that any Guarantor may have at any time against any Person, including, without limitation, any Secured Party;

(e) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of any Loan Party; or

(f) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Secured Parties that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Article XI shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by Secured Parties or any other Person upon the insolvency, bankruptcy or reorganization of any Borrower or otherwise, all as though such payment had not been made.

Section 11.03 Waiver. Each Guarantor hereby waives (i) promptness and diligence, (ii) notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Article XI and any requirement that the Secured Parties exhaust any right or take any action against any Loan Party or any other Person or any Collateral, (iii) any right to compel or direct any Secured Party to seek payment or recovery of any amounts owed under this Article XI from any one particular fund or source or to exhaust any right or take any action against any other Loan Party, any other Person or any Collateral, (iv) any requirement that any

Secured Party protect, secure, perfect or insure any security interest or Lien on any property subject thereto or exhaust any right to take any action against any Loan Party, any other Person or any Collateral, and (v) any other defense available to any Guarantor. Each Guarantor agrees that the Secured Parties shall have no obligation to marshal any assets in favor of any Guarantor or against, or in payment of, any or all of the Obligations. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated herein and that the waiver set forth in this Section 11.03 is knowingly made in contemplation of such benefits. Each Guarantor hereby waives any right to revoke this Article XI, and acknowledges that this Article XI is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

Section 11.04 Continuing Guaranty; Assignments. This Article XI is a continuing guaranty and shall (a) remain in full force and effect until the later of the cash payment in full of the Guaranteed Obligations (other than Contingent Indemnity Obligations) and all other amounts payable under this Article XI and the Final Maturity Date, (b) be binding upon each Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Secured Parties and their successors, pledgees, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may pledge, assign or otherwise transfer all or any portion of its rights and obligations under this Agreement (including, without limitation, all or any portion of its Commitments, its Loans, the Reimbursement Obligations and the Letter of Credit Obligations owing to it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted such Lender herein or otherwise, in each case as provided in Section 12.07.

Section 11.05 Subrogation. No Guarantor will exercise any rights that it may now or hereafter acquire against any Loan Party or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Article XI, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Secured Parties against any Loan Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Loan Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations (other than Contingent Indemnity Obligations) and all other amounts payable under this Article XI shall have been paid in full in cash and the Final Maturity Date shall have occurred. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the later of the payment in full in cash of the Guaranteed Obligations (other than Contingent Indemnity Obligations) and all other amounts payable under this Article XI and the Final Maturity Date, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Article XI, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Article XI thereafter arising. If (i) any Guarantor shall make payment to the Secured Parties of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Article XI shall be paid in full in cash and (iii) the Final Maturity Date shall have occurred, the Secured Parties will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such

Guarantor of an interest in the Guaranteed Obligations resulting from such payment by such Guarantor.

Section 11.06 Contribution. All Guarantors desire to allocate among themselves, in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Guarantor shall be entitled to a contribution from each of the other Guarantors in an amount sufficient to cause each Guarantor's Aggregate Payments to equal its Fair Share as of such date. "Fair Share" means, with respect to any Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Guarantors under this Guaranty in respect of the obligations Guaranteed. "Fair Share Contribution Amount" means, with respect to any Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Guarantor under this Guaranty that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Guarantor for purposes of this Section 11.06, any assets or liabilities of such Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Guarantor. "Aggregate Payments" means, with respect to any Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 11.06), minus (B) the aggregate amount of all payments received on or before such date by such Guarantor from the other Guarantors as contributions under this Section 11.06. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Guarantor. The allocation among Guarantors of their obligations as set forth in this Section 11.06 shall not be construed in any way to limit the liability of any Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 11.06.

Section 11.07 Keepwell. Each Loan Party, if it is a Qualified ECP Loan Party, then jointly and severally, together with each other Qualified ECP Loan Party, hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any other Loan Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 11.07 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11.07, or otherwise under this Agreement or any other Loan Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 11.07 shall remain in full force and effect until payment in full (or written release and discharge) of the Obligations and termination of this Agreement and the other Loan Documents. Each Qualified ECP Loan Party intends that this Section 11.07 constitute, and this Section 11.07 shall be

deemed to constitute, a guarantee of the obligations of, and a " keepwell, support, or other agreement " for the benefit of each other Borrower and Guarantor for all purposes of Section 1a(18) (A)(v)(II) of the CEA .

ARTICLE XII
MISCELLANEOUS

Section 12.01 Notices, Etc.

(a) Notices Generally . All notices and other communications provided for hereunder shall be in writing and shall be delivered by hand, sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or telecopier. In the case of notices or other communications to any Loan Party, Administrative Agent or the Collateral Agent, as the case may be, they shall be sent to the respective address set forth below (or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 12.01):

ALJ Regional Holdings, Inc.
244 Madison Avenue, PMB 358
New York, New York 10016
Attention: Jess M. Ravich
Telephone: 213-244-0045
Email: jessravich@gmail.com

with a copy to (which shall not constitute notice):

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022

Attention: Christopher M. Forrester
Telephone: (650) 838-3772
Telecopier: (650) 838-3699
Email: Chris.Forrester@Shearman.com

and

Attention: Michael J. Steinberg
Telephone: (212) 848-8213
Telecopier: (646) 848-8213
Email: Michael.Steinberg@Shearman.com

if to the Administrative Agent, to it at the following address:

PNC Bank, National Association
1600 Market Street
Philadelphia, PA 19103
Attention: Jacqueline MacKenzie
Telephone: 215-585-2056
Telecopier: 215-585-4771
Email: jacqualine.mackenzie@pnc.com

in each case, with a copy to (which shall not constitute notice):

Blank Rome LLP
One Logan Square
Philadelphia, PA 19103
Attention: Michael C. Graziano
Telephone: 215-569-5387
Facsimile: 215-832-5387
Email: graziano@blankrome.com

if to the Collateral Agent, to it at the following address:

Cerberus Business Finance, LLC
875 Third Avenue
New York, New York 10022
Attention: Daniel Wolf
Telephone: (212) 891-2121
Telecopier: (212) 891-1541

in each case, with a copy to (which shall not constitute notice):

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attention: Frederic L. Ragucci
Telephone: 212-756-2000
Telecopier: 212-593-5955
Email: Frederic.Ragucci@srz.com

All notices or other communications sent in accordance with this Section 12.01, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail; provided, that (i) notices sent by overnight courier service shall be deemed to have been given when received and (ii) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient), provided, further that notices to any Agent or the L/C Issuer pursuant to Articles II and III shall not be effective until received by such Agent or the L/C Issuer, as the case may be.

(b) Electronic Communications.

(i) Each Agent and the Administrative Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agents, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Articles II and III if such Lender or the L/C Issuer, as applicable, has notified the Agents that it is incapable of receiving notices under such Article by electronic communication.

(ii) Unless the Administrative Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (A), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (A) and (B) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

Section 12.02 Amendments, Etc. (a) No amendment or waiver of any provision of this Agreement or any other Loan Document (excluding the Fee Letter), and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed (x) in the case of an amendment, consent or waiver to cure any ambiguity, omission, defect or inconsistency or granting a new Lien for the benefit of the Agents and the Lenders or extending an existing Lien over additional property, by the Agents and the Borrowers (or by the Administrative Borrower on behalf of the Borrowers), (y) in the case of any other waiver or consent, by the Required Lenders (or by the Collateral Agent with the consent of the Required Lenders) and (z) in the case of any other amendment, by the Required Lenders (or by the Collateral Agent with the consent of the Required Lenders) and the Borrowers (or by the Administrative Borrower on behalf of the Borrowers), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(i) increase the Commitment of any Lender, reduce the principal of, or interest on, the Loans or the Reimbursement Obligations payable to any Lender, reduce the amount of any fee payable for the account of any Lender, or postpone or extend any scheduled date fixed for any payment of principal of, or interest or fees on, the Loans or Letter of Credit Obligations payable to any Lender, in each case, without the written consent of such Lender;

(ii) increase the Total Commitment without the written consent of each Lender;

(iii) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that is required for the Lenders or any of them to take any action hereunder without the written consent of each Lender;

(iv) amend the definition of "Required Lenders" or "Pro Rata Share" without the written consent of each Lender;

(v) release all or a substantial portion of the Collateral (except as otherwise provided in this Agreement and the other Loan Documents), subordinate any Lien granted in favor of the Collateral Agent for the benefit of the Agents and the Lenders, or release any Borrower or any Guarantor (except in connection with a Disposition of the Equity Interests thereof permitted by Section 7.02(c)(ii)), in each case, without the written consent of each Lender;

(vi) amend, modify or waive Section 4.02, Section 4.03 or this Section 12.02 of this Agreement without the written consent of each Lender; or

(vii) amend the definition of "Availability", "Bank Product Provider", "Bank Product Obligations" (or any provision expressly relating to Bank Product Obligations), "Bank Product Reserve," "Borrowing Base", "Eligible Accounts Receivable", "Excess Availability", "Excluded Hedge Liability" (or any provision expressly relating to Excluded Hedge Liabilities), "Individual Advance Amount", "Lender-Provided Hedge Agreement", "Letter of Credit Sublimit", or "Net Amount of Eligible Accounts Receivable", in each case, without the written consent of each Lender.

Notwithstanding the foregoing, (A) no amendment, waiver or consent shall, unless in writing and signed by an Agent, affect the rights or duties of such Agent (but not in its capacity as a Lender) under this Agreement or the other Loan Documents, (B) any amendment, waiver or consent to any provision of this Agreement (including Sections 4.01 and 4.02) that permits any Loan Party, any Permitted Holder (or other equity holder of the Parent) or any of their respective Affiliates to purchase Loans on a non-pro rata basis, become an eligible assignee pursuant to Section 12.07 and/or make offers to make optional prepayments on a non-pro rata basis shall require the prior written consent of the Required Lenders rather than the prior written consent of each Lender directly affected thereby and (C) the consent of the Borrowers shall not be required to change any order of priority set forth in Section 2.05(d) and Section 4.03. Notwithstanding anything to the contrary herein, no Defaulting Lender, Loan Party, Permitted Holder (or other equity holder of the Parent) or any of their respective Affiliates that is a Lender shall have any right to approve or disapprove any amendment, waiver or consent under the Loan Documents and any Loans held by such Person for purposes hereof shall be automatically deemed to be voted pro rata according to the Loans of all other Lenders in the aggregate (other than such Defaulting Lender, Loan Party, Permitted Holder (or other equity holder of the Parent) or Affiliate).

(b) If any action to be taken by the Lenders hereunder requires the consent, authorization, or agreement of all of the Lenders or any Lender affected thereby, and a Lender other than the Collateral Agent and the Administrative Agent and their respective Affiliates and Related Funds (the "Holdout Lender") fails to give its consent, authorization, or agreement, then the Collateral Agent, upon at least 5 Business Days prior irrevocable notice to the Holdout Lender, may permanently replace the Holdout Lender with one or more substitute lenders (each, a

" Replacement Lender "), and the Holdout Lender shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given. Prior to the effective date of such replacement, the Holdout Lender and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Holdout Lender being repaid its share of the outstanding Obligations without any premium or penalty of any kind whatsoever. If the Holdout Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, the Holdout Lender shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Holdout Lender shall be made in accordance with the terms of Section 12.07 . Until such time as the Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Holdout Lender hereunder and under the other Loan Documents, the Holdout Lender shall remain obligated to make its Pro Rata Share of Loans.

Section 12.03 No Waiver; Remedies, Etc. No failure on the part of any Agent or any Lender to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Agents and the Lenders provided herein and in the other Loan Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Agents and the Lenders under any Loan Document against any party thereto are not conditional or contingent on any attempt by the Agents and the Lenders to exercise any of their rights under any other Loan Document against such party or against any other Person.

Section 12.04 Expenses; Taxes; Attorneys' Fees. Subject to limitations set forth in Section 2.06(c) with respect to the Borrowers' reimbursement obligations of certain fees and expenses, the Borrowers will pay on demand, all costs and expenses incurred by or on behalf of each Agent (and, in the case of clauses (b) through (n) below, each Lender), regardless of whether the transactions contemplated hereby are consummated, including, without limitation, reasonable and documented fees, costs, client charges and expenses of counsel (provided, that in the case of legal expenses, the Borrowers' obligations shall be limited to one counsel to the Collateral Agent, one counsel to the Administrative Agent, one counsel to the other Lenders, and one local counsel in each relevant jurisdiction (unless a conflict arises, in which case the reasonable and documented fees and expenses of each conflicts counsel shall also be reimbursed by the Borrowers), accounting, due diligence, periodic field audits, physical counts, valuations, investigations, searches and filings, monitoring of assets, appraisals of Collateral, the rating of the Loans, title searches and reviewing environmental assessments, miscellaneous disbursements, examination, travel, lodging and meals, arising from or relating to: (a) the negotiation, preparation, execution, delivery, performance and administration of this Agreement and the other Loan Documents (including, without limitation, the preparation of any additional Loan Documents pursuant to Section 7.01(b) or the review of any of the agreements, instruments and documents referred to in Section 7.01(f)), (b) any requested amendments, waivers or consents to this Agreement or the other Loan Documents whether or not such documents become effective or are given, (c) the preservation and protection of the Agents' or any of the Lenders' rights under this Agreement or the other Loan Documents, (d) the defense of any claim or action asserted or brought against any Agent or any Lender by any Person that arises from or relates to this Agreement, any other Loan Document, the Agents' or the Lenders' claims against any Loan Party, or any and all matters in

connection therewith, (e) the commencement or defense of, or intervention in, any court proceeding arising from or related to this Agreement or any other Loan Document, (f) the filing of any petition, complaint, answer, motion or other pleading by any Agent or any Lender, or the taking of any action in respect of the Collateral or other security, in connection with this Agreement or any other Loan Document, (g) the protection, collection, lease, sale, taking possession of or liquidation of, any Collateral or other security in connection with this Agreement or any other Loan Document, (h) any attempt to enforce any Lien or security interest in any Collateral or other security in connection with this Agreement or any other Loan Document, (i) any attempt to collect from any Loan Party, (j) all liabilities and costs arising from or in connection with the past, present or future operations of any Loan Party involving any damage to real or personal property or natural resources or harm or injury alleged to have resulted from any Release of Hazardous Materials on, upon or into such property, (k) any Environmental Liabilities and Costs incurred in connection with the investigation, removal, cleanup and/or remediation of any Hazardous Materials present or arising out of the operations of any Facility of any Loan Party, (l) any Environmental Liabilities and Costs incurred in connection with any Environmental Lien, (m) the rating of the Loans by one or more rating agencies in connection with any Lender ' s Securitization, or (n) the receipt by any Agent or any Lender of any advice from professionals with respect to any of the foregoing. Without limitation of the foregoing or any other provision of any Loan Document: (x) the Borrowers agree to pay all stamp, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter determined by any Agent or any Lender to be payable in connection with this Agreement or any other Loan Document, and the Borrowers agree to save each Agent and each Lender harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such taxes, fees or impositions, (y) the Borrowers agree to pay all broker fees that may become due in connection with the transactions contemplated by this Agreement and the other Loan Documents, and (z) if the Borrowers fail to perform any covenant or agreement contained herein or in any other Loan Document, any Agent may itself perform or cause performance of such covenant or agreement, and the expenses of such Agent incurred in connection therewith shall be reimbursed on demand by the Borrowers. The obligations of the Borrowers under this Section 12.04 shall survive the repayment of the Obligations and discharge of any Liens granted under the Loan Documents.

Section 12.05 Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, any Agent or any Lender may, and is hereby authorized to, at any time and from time to time, without notice to any Loan Party (any such notice being expressly waived by the Loan Parties) and to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by such Agent or such Lender or any of their respective Affiliates to or for the credit or the account of any Loan Party against any and all obligations of the Loan Parties either now or hereafter existing under any Loan Document, irrespective of whether or not such Agent or such Lender shall have made any demand hereunder or thereunder and although such obligations may be contingent or unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of set-off, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 4.04 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agents and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a

statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of set-off. Each Agent and each Lender agrees to notify such Loan Party promptly after any such set-off and application made by such Agent or such Lender or any of their respective Affiliates provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Agents and the Lenders under this Section 12.05 are in addition to the other rights and remedies (including other rights of set-off) which the Agents and the Lenders may have under this Agreement or any other Loan Documents of law or otherwise.

Section 12.06 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.07 Assignments and Participations.

(a) This Agreement and the other Loan Documents shall be binding upon and inure to the benefit of each Loan Party and each Agent and each Lender and their respective successors and assigns; provided, however, that none of the Loan Parties may assign or transfer any of its rights hereunder or under the other Loan Documents without the prior written consent of each Lender and any such assignment without the Lenders' prior written consent shall be null and void.

(b) Subject to the conditions set forth in clause (c) below, each Lender may (after consultation with the Parent) assign to one or more other lenders or other entities all or a portion of its rights and obligations under this Agreement with respect to:

(i) all or a portion of its Term Loan Commitment and any Term Loan made by it with the written consent of the Collateral Agent, and

(ii) all or a portion of its Revolving Credit Commitment and the Revolving Loans made by it with the written consent of each Agent;

provided, however, that no written consent of the Collateral Agent or the Administrative Agent shall be required (A) in connection with any assignment by a Lender to a Lender, an Affiliate of such Lender or a Related Fund of such Lender or (B) if such assignment is in connection with any merger, consolidation, sale, transfer, or other disposition of all or any substantial portion of the business or loan portfolio of such Lender.

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

(i) Each such assignment shall be in an amount which is at least \$5,000,000 or a multiple of \$1,000,000 in excess thereof (or the remainder of such Lender's Commitment) (except such minimum amount shall not apply to an assignment by a Lender to (A) a Lender, an Affiliate of such Lender or a Related Fund of such Lender or (B) a group of new Lenders, each of whom is an Affiliate or Related Fund of each other to the extent the aggregate amount to be assigned to all such new Lenders is at least \$5,000,000 or a multiple of \$1,000,000 in excess thereof); and

(ii) Except as provided in the last sentence of this Section 12.07(c)(ii), the parties to each such assignment shall execute and deliver to the Collateral Agent (and the Administrative Agent, if applicable), for its acceptance, an Assignment and Acceptance, together

with any promissory note subject to such assignment and such parties shall deliver to the Collateral Agent, for the benefit of the Collateral Agent, a processing and recordation fee of \$5,000 (except the payment of such fee shall not be required in connection with an assignment by a Lender to a Lender, an Affiliate of such Lender or a Related Fund of such Lender). Notwithstanding anything to the contrary contained in this Section 12.07(c)(ii), a Lender may assign any or all of its rights under the Loan Documents to an Affiliate of such Lender or a Related Fund of such Lender without delivering an Assignment and Acceptance to the Agents or to any other Person (a " Related Party Assignment "); provided, however, that (A) the Borrowers and the Administrative Agent may continue to deal solely and directly with such assigning Lender until an Assignment and Acceptance has been delivered to the Administrative Agent for recordation on the Register, (B) the Collateral Agent may continue to deal solely and directly with such assigning Lender until receipt by the Collateral Agent of a copy of the fully executed Assignment and Acceptance pursuant to Section 12.07(g), (C) the failure of such assigning Lender to deliver an Assignment and Acceptance to the Agents shall not affect the legality, validity, or binding effect of such assignment, and (D) an Assignment and Acceptance between the assigning Lender and an Affiliate of such Lender or a Related Fund of such Lender shall be effective as of the date specified in such Assignment and Acceptance and recordation on the Related Party Register referred to in the last sentence of Section 12.07(f) below ; and

(iii) No such assignment shall be made to (A) any Loan Party, any Permitted Holder (or other equity holder of the Parent) or any of their respective Affiliates or (B) any Defaulting Lender or any of its Affiliates, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(d) Upon such execution, delivery and acceptance, from and after the effective date specified in each Assignment and Acceptance and recordation on the Register, which effective date shall be at least 3 Business Days after the delivery thereof to the Collateral Agent (or such shorter period as shall be agreed to by the Collateral Agent and the parties to such assignment), (A) the assignee thereunder shall become a "Lender" hereunder and, in addition to the rights and obligations hereunder held by it immediately prior to such effective date, have the rights and obligations hereunder that have been assigned to it pursuant to such Assignment and Acceptance and (B) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(e) By executing and delivering an Assignment and Acceptance, the assigning Lender and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto; (ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or any of its Subsidiaries or the performance or observance by any Loan Party of any of its obligations under this Agreement or any other Loan

Document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement and the other Loan Documents, together with such other documents and information it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, any Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents; (v) such assignee appoints and authorizes the Agents to take such action as agents on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Agents by the terms hereof and thereof, together with such powers as are reasonably incidental hereto and thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Loan Documents are required to be performed by it as a Lender.

(f) The Administrative Agent shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain, or cause to be maintained at the Payment Office, a copy of each Assignment and Acceptance delivered to and accepted by it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitments of, and the principal amount of the Loans (and stated interest thereon) (the "Registered Loans") and Letter of Credit Obligations owing to each Lender from time to time. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Agents and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Administrative Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice. In the case of an assignment pursuant to the last sentence of Section 12.07(c)(ii) as to which an Assignment and Acceptance is not delivered to the Administrative Agent, the assigning Lender shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain, or cause to be maintained, a register (the "Related Party Register") comparable to the Register on behalf of the Borrowers. The Related Party Register shall be available for inspection by the Borrowers and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(g) Upon receipt by the Administrative Agent of a completed Assignment and Acceptance, and subject to any consent required from the Administrative Agent or the Collateral Agent pursuant to Section 12.07(b) (which consent of the applicable Agent must be evidenced by such Agent's execution of an acceptance to such Assignment and Acceptance), the Administrative Agent shall accept such assignment, record the information contained therein in the Register (as adjusted to reflect any principal payments on or amounts capitalized and added to the principal balance of the Loans and/or Commitment reductions made subsequent to the effective date of the applicable assignment, as confirmed in writing by the corresponding assignor and assignee in conjunction with delivery of the assignment to the Administrative Agent) and provide to the Collateral Agent a copy of the fully executed Assignment and Acceptance.

(h) A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register or the Related Party Register (and each registered note shall expressly so provide). Any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing

the same) may be effected only by registration of such assignment or sale on the Register or the Related Party Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any, evidencing the same), the Agents shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered on the Register as the owner thereof for the purpose of receiving all payments thereon, notwithstanding notice to the contrary.

(i) In the event that any Lender sells participations in a Registered Loan, such Lender shall, acting for this purpose as a non-fiduciary agent on behalf of the Borrowers, maintain, or cause to be maintained, a register, on which it enters the name of all participants in the Registered Loans held by it and the principal amount (and stated interest thereon) of the portion of the Registered Loan that is the subject of the participation (the "Participant Register"). A Registered Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register. The Participant Register shall be available for inspection by the Administrative Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(j) Any Person who purchases or is assigned or participates in any portion of such Registered Loan shall be entitled to the benefits of Section 2.09 and Section 2.10 of this Agreement with respect to its portion in any such Registered Loan (subject to the requirements and limitations therein, including the requirements under Section 2.09(d)).

(k) Each Lender may sell participations to one or more banks, entities or other Persons in or to all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of its Commitments, the Loans made by it and its Pro Rata Share of the Letter of Credit Obligations); provided, that (i) such Lender's obligations under this Agreement (including without limitation, its Commitments hereunder) and the other Loan Documents shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents; and (iii) a participant shall not be entitled to require such Lender to take or omit to take any action hereunder except (A) action directly effecting an extension of the maturity dates or decrease in the principal amount of the Loans or Letter of Credit Obligations, (B) action directly effecting an extension of the due dates or a decrease in the rate of interest payable on the Loans or the fees payable under this Agreement, or (C) actions directly effecting a release of all or a substantial portion of the Collateral or any Loan Party (except as set forth in Section 10.08 of this Agreement or any other Loan Document). The Loan Parties agree that each participant shall be entitled to the benefits of Section 2.09 and Section 2.10 of this Agreement with respect to its participation in any portion of the Commitments and the Loans as if it was a Lender.

(l) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or loans made to such Lender pursuant to securitization or similar credit facility (a "Securitization"); provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. The Loan Parties shall cooperate with such Lender and its Affiliates to effect the Securitization including, without limitation, by providing such information as may be reasonably requested by such Lender in connection with the rating of its Loans or the Securitization.

Section 12.08 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telecopier or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telecopier or electronic mail also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

Section 12.09 GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

Section 12.10 CONSENT TO JURISDICTION; SERVICE OF PROCESS AND VENUE.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK OR OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH LOAN PARTY HEREBY IRREVOCABLY ACCEPTS IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH LOAN PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS AND IN ANY SUCH ACTION OR PROCEEDING BY ANY MEANS PERMITTED BY APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE ADMINISTRATIVE BORROWER AT ITS ADDRESS FOR NOTICES AS SET FORTH IN SECTION 12.01, SUCH SERVICE TO BECOME EFFECTIVE 10 DAYS AFTER SUCH MAILING. THE LOAN PARTIES AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE AGENTS AND THE LENDERS TO SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY LOAN PARTY IN ANY OTHER JURISDICTION. EACH LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY

WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OR LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY LOAN PARTY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, EACH LOAN PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(b) Each Loan Party hereby irrevocably appoints National Corporate Research, Ltd. (the "Process Agent"), with an office on the date hereof at 10 E. 40th Street, 10th Floor, New York, NY 10016 as its agent to receive on behalf of each Loan Party service of the summons and complaint and any other process which may be served in any action or proceeding described above. Such service may be made by mailing or delivering a copy of such process to each Loan Party, in care of the Process Agent at the address specified above for such Process Agent, and such Loan Party hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf.

Section 12.11 WAIVER OF JURY TRIAL, ETC. EACH LOAN PARTY, EACH AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION, PROCEEDINGS OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH LOAN PARTY CERTIFIES THAT NO OFFICER, REPRESENTATIVE, AGENT OR ATTORNEY OF ANY AGENT OR ANY LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT ANY AGENT OR ANY LENDER WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS. EACH LOAN PARTY HEREBY ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE AGENTS AND THE LENDERS ENTERING INTO THIS AGREEMENT.

Section 12.12 Consent by the Agents and Lenders. Except as otherwise expressly set forth herein to the contrary or in any other Loan Document, if the consent, approval, satisfaction, determination, judgment, acceptance or similar action (an "Action") of any Agent or any Lender shall be permitted or required pursuant to any provision hereof or any provision of any other agreement to which any Loan Party is a party and to which any Agent or any Lender has succeeded thereto, such Action shall be required to be in writing and may be withheld or denied by such Agent or such Lender, in its sole discretion, with or without any reason, and without being subject to question or challenge on the grounds that such Action was not taken in good faith.

Section 12.13 No Party Deemed Drafter. Each of the parties hereto agrees that no party hereto shall be deemed to be the drafter of this Agreement.

Section 12.14

Reinstatement; Certain Payments. If any claim is ever made upon any Secured Party for repayment or recovery of any amount or amounts received by such Secured Party in payment or on account of any of the Obligations, such Secured Party shall give prompt notice of such claim to each other Agent and Lender and the Administrative Borrower, and if such Secured Party repays all or part of such amount by reason of (i) any judgment, decree or order of any court or a dministrative body having jurisdiction over such Secured Party or any of its property, or (ii) any good faith settlement or compromise of any such claim effected by such Secured Party with any such claimant, then and in such event each Loan Party agrees that (A) any such judgment, decree, order, settlement or compromise shall be binding upon it notwithstanding the cancellation of any Indebtedness hereunder or under the other Loan Documents or the termination of this Agreement or the other Loan Documents, and (B) it shall be and remain liable to such Secured Party hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Secured Party.

Section 12.15 Indemnification; Limitation of Liability for Certain Damages.

(a) In addition to each Loan Party's other Obligations under this Agreement, each Loan Party agrees to, jointly and severally, defend, protect, indemnify and hold harmless each Secured Party and all of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (collectively called the "Indemnitees") from and against any and all losses, damages, liabilities, obligations, penalties, fees, reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses; provided, that, in the case of legal expenses, the Loan Parties' obligations shall be limited to one counsel to the Collateral Agent, one counsel to the Administrative Agent and the Lenders and one local counsel in each relevant jurisdiction (unless a conflict arises, in which case the reasonable, documented fees and expenses of each conflicts counsel shall also be reimbursed by the Loan Parties)) incurred by such Indemnitees, whether prior to or from and after the Effective Date, whether direct, indirect or consequential, as a result of or arising from or relating to or in connection with any of the following: (i) the negotiation, preparation, execution or performance or enforcement of this Agreement, any other Loan Document or of any other document executed in connection with the transactions contemplated by this Agreement, (ii) any Agent's or any Lender's furnishing of funds to the Borrowers or the L/C Issuer's issuing of Letters of Credit for the account of the Borrowers under this Agreement or the other Loan Documents, including, without limitation, the management of any such Loans, the Reimbursement Obligations or the Letter of Credit Obligations or the Borrowers' use of the proceeds thereof, (iii) the Agents and the Lenders relying on any instructions of the Administrative Borrower or the handling of the Loan Account and Collateral of the Borrowers as herein provided, (iv) any matter relating to the financing transactions contemplated by this Agreement or the other Loan Documents or by any document executed in connection with the transactions contemplated by this Agreement or the other Loan Documents, or (v) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (collectively, the "Indemnified Matters"); provided, however, that the Loan Parties shall not have any obligation to any Indemnitee under this subsection (a) for any Indemnified Matter caused by the gross negligence or willful misconduct of such Indemnitee, as determined by a final non-appealable judgment of a court of competent jurisdiction.

(b) The indemnification for all of the foregoing losses, damages, fees, costs and expenses of the Indemnitees set forth in this Section 12.15 are chargeable against the Loan Account. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this

Section 12.15 may be unenforceable because it is violative of any law or public policy, each Loan Party shall, jointly and severally, contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(c) No Loan Party shall assert, and each Loan Party hereby waives, any claim against the Indemnitees, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Loan Party hereby waives, releases and agrees not to sue upon any such claim or seek any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(d) The indemnities and waivers set forth in this Section 12.15 shall survive the repayment of the Obligations and discharge of any Liens granted under the Loan Documents.

Section 12.16 Records. The unpaid principal of and interest on the Loans, the interest rate or rates applicable to such unpaid principal and interest, the duration of such applicability, the Commitments, and the accrued and unpaid fees payable pursuant to Section 2.06 hereof, shall at all times be ascertained from the records of the Agents, which shall be conclusive and binding absent manifest error.

Section 12.17 Binding Effect. This Agreement shall become effective when it shall have been executed by each Loan Party, each Agent and each Lender and when the conditions precedent set forth in Section 5.01 hereof have been satisfied or waived in writing by the Agents, and thereafter shall be binding upon and inure to the benefit of each Loan Party, each Agent and each Lender, and their respective successors and assigns, except that the Loan Parties shall not have the right to assign their rights hereunder or any interest herein without the prior written consent of each Agent and each Lender, and any assignment by any Lender shall be governed by Section 12.07 hereof.

Section 12.18 Highest Lawful Rate. It is the intention of the parties hereto that each Agent and each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby or by any other Loan Document would be usurious as to any Agent or any Lender under laws applicable to it (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to such Agent or such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in this Agreement or any other Loan Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Agent or any Lender that is contracted for, taken, reserved, charged or received by such Agent or such Lender under this Agreement or any other Loan Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law, any excess shall be canceled automatically and if theretofore paid shall be credited by such Agent or such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Agent or such Lender, as applicable, to the

Borrowers); and (ii) in the event that the maturity of the Obligations is accelerated by reason of any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Agent or any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall, subject to the last sentence of this Section 12.18, be canceled automatically by such Agent or such Lender, as applicable, as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Agent or such Lender, as applicable, on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Agent or such Lender to the Borrowers). All sums paid or agreed to be paid to any Agent or any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Agent or such Lender, be amortized, prorated, allocated and spread throughout the full term of the Loans until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (x) the amount of interest payable to any Agent or any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Agent or such Lender pursuant to this Section 12.18 and (y) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Agent or such Lender would be less than the amount of interest payable to such Agent or such Lender computed at the Highest Lawful Rate applicable to such Agent or such Lender, then the amount of interest payable to such Agent or such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Agent or such Lender until the total amount of interest payable to such Agent or such Lender shall equal the total amount of interest which would have been payable to such Agent or such Lender if the total amount of interest had been computed without giving effect to this Section 12.18.

For purposes of this Section 12.18, the term "applicable law" shall mean that law in effect from time to time and applicable to the loan transaction between the Borrowers, on the one hand, and the Agents and the Lenders, on the other, that lawfully permits the charging and collection of the highest permissible, lawful non-usurious rate of interest on such loan transaction and this Agreement, including laws of the State of New York and, to the extent controlling, laws of the United States of America.

The right to accelerate the maturity of the Obligations does not include the right to accelerate any interest that has not accrued as of the date of acceleration.

Section 12.19 Confidentiality. Each Agent and each Lender agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with its customary procedures for handling confidential information of this nature and in accordance with safe and sound practices of comparable commercial finance companies, any non-public information supplied to it by the Loan Parties pursuant to this Agreement or the other Loan Documents which is identified in writing by the Loan Parties as being confidential at the time the same is delivered to such Person (and which at the time is not, and does not thereafter become, publicly available or available to such Person from another source not known to be subject to a confidentiality obligation to such Person not to disclose such information), provided that nothing herein shall limit the disclosure by any Agent or any Lender of any such information (i) to its Affiliates and to its and its Affiliates' respective equityholders (including, without limitation, partners), directors, officers,

employees, agents, trustees, counsel, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential in accordance with this Section 12.19); (ii) to any other party hereto; (iii) to any assignee or participant (or prospective assignee or participant) or any party to a Securitization so long as such assignee or participant (or prospective assignee or participant) or party to a Securitization first agrees, in writing, to be bound by confidentiality provisions similar in substance to this Section 12.19; (iv) to the extent required by any Requirement of Law or judicial process or as otherwise requested by any Governmental Authority; (v) to the National Association of Insurance Commissioners or any similar organization, any examiner, auditor or accountant or any nationally recognized rating agency or otherwise to the extent consisting of general portfolio information that does not identify Loan Parties; (vi) in connection with any litigation to which any Agent or any Lender is a party; (vii) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; or (viii) with the consent of the Administrative Borrower.

Section 12.20 Public Disclosure. Each Loan Party agrees that neither it nor any of its Affiliates will now or in the future issue any press release or other public disclosure using the name of an Agent, any Lender or any of their respective Affiliates or referring to this Agreement or any other Loan Document without the prior written consent of such Agent or such Lender, except to the extent that such Loan Party or such Affiliate is required to do so under applicable law (in which event, such Loan Party or such Affiliate will consult with such Agent or such Lender before issuing such press release or other public disclosure). Each Loan Party hereby authorizes each Agent and each Lender, after consultation with the Borrowers, to advertise the closing of the transactions contemplated by this Agreement, and to make appropriate announcements of the financial arrangements entered into among the parties hereto, as such Agent or such Lender shall deem appropriate, including, without limitation, on a home page or similar place for dissemination of information on the Internet or worldwide web, or in announcements commonly known as tombstones, in such trade publications, business journals, newspapers of general circulation and to such selected parties as such Agent or such Lender shall deem appropriate.

Section 12.21 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

Section 12.22 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the entities composing the Borrowers, which information includes the name and address of each such entity and other information that will allow such Lender to identify the entities composing the Borrowers in accordance with the USA PATRIOT Act. Each Loan Party agrees to take such action and execute, acknowledge and deliver at its sole cost and expense, such instruments and documents as any Lender may reasonably require from time to time in order to enable such Lender to comply with the USA PATRIOT Act.

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Schedule 1.01(A)
Lenders and Lenders' Commitments

Lender	Term Loan Commitment	Revolving Credit Commitment during the Regular Period	Revolving Credit Commitment during the Seasonal Increase Period
CERBERUS NJ CREDIT OPPORTUNITIES FUND, L.P.	\$20,853,932.77	\$0	\$0
CERBERUS ASRS HOLDINGS LLC	\$55,571,314.34	\$0	\$0
CERBERUS ICQ LEVERED LOAN OPPORTUNITIES FUND, L.P.	\$21,991,710.14	\$0	\$0
CERBERUS KRS LEVERED LOAN OPPORTUNITIES FUND, L.P.	\$6,583,042.75	\$0	\$0
PNC BANK, NATIONAL ASSOCIATION	\$0	\$25,000,000	\$32,500,000
Total	\$105,000,000	\$25,000,000	\$32,500,000

FINANCING AGREEMENT

Schedule 1.01(A -1)
Term A Loan Commitments

Lender	Term A Loan Commitment
Cerberus NJ Credit Opportunities Fund, L.P.	\$836,423.10
Cerberus ASRS Holdings LLC	\$3,012,421.12
Cerberus ICQ Levered Loan Opportunities Fund, L.P.	\$1,449,687.86
Cerberus KRS Levered Loan Opportunities Fund, L.P.	\$354,202.83
Cerberus PSERS Levered Loan Opportunities Fund, L.P.	\$1,122,455.16
Cerberus Levered Loan Opportunities Fund III, L.P.	\$3,224,809.93
Total	\$10,000,000

FINANCING AGREEMENT

Schedule 1.01(A -2)
Term A-1 Loan Commitments

Lender	Term A-1 Loan Commitment
Cerberus Levered Loan Opportunities Fund III, L.P.	\$2,283,022.04
Cerberus NJ Credit Opportunities Fund, L.P.	\$713,110.06
Cerberus ASRS Holdings LLC	\$2,212,864.95
Cerberus KRS Levered Loan Opportunities Fund, L.P.	\$214,556.07
Cerberus PSERS Levered Loan Opportunities Fund, L.P.	\$751,259.54
Cerberus FSBA Holdings LLC	\$686,761.49
Cerberus ND Credit Holdings LLC	\$638,425.85
Total	\$7,500,000

FINANCING AGREEMENT

Schedule 1.01(A -3)
Term A-2 Loan Commitments

Lender	Term A-2 Loan Commitment
Cerberus Levered Loan Opportunities Fund III, L.P.	\$964,576.90
Cerberus NJ Credit Opportunities Fund, L.P.	\$431,966.76
Cerberus ASRS Holdings LLC	\$1,647,586.64
Cerberus KRS Levered Loan Opportunities Fund, L.P.	\$165,221.17
Cerberus PSERS Levered Loan Opportunities Fund, L.P.	\$467,976.16
Cerberus FSBA Holdings LLC	\$267,812.86
Cerberus ND Credit Holdings LLC	\$163,742.78
Cerberus StepStone Credit Holdings LLC	\$380,364.37
Safety National Casualty Corporation	\$510,752.36
Total	\$5,000,000

ANNEX II

Schedule 1.01(A)
Lenders and Lenders' Commitments

Lender	Term Loan Commitment ¹	Revolving Credit Commitment during the Regular Period	Revolving Credit Commitment during the Seasonal Increase Period
CERBERUS NJ CREDIT OPPORTUNITIES FUND, L.P.	\$20,853,932.77	\$0	\$0
CERBERUS ASRS HOLDINGS LLC	\$55,571,314.34	\$0	\$0
CERBERUS ICQ LEVERED LOAN OPPORTUNITIES FUND, L.P.	\$21,991,710.14	\$0	\$0
CERBERUS KRS LEVERED LOAN OPPORTUNITIES FUND, L.P.	\$6,583,042.75	\$0	\$0
PNC BANK, NATIONAL ASSOCIATION	\$0	\$25,000,000	\$32,500,000
Total	\$105,000,000	\$25,000,000	\$32,500,000

¹ Term Loan Commitment calculated as of the Effective Date.

FINANCING AGREEMENT

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), dated as of July 29, 2019, is entered into by and between Jess Ravich (the "Executive") and ALJ Regional Holdings, Inc. (the "Company"), and is effective as of the Effective Date (as defined below).

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. The Company desires that the Executive be employed by the Company to carry out the duties and responsibilities described below, all on the terms and conditions hereafter set forth.

B. The Executive desires to continue such employment with the Company on such terms and conditions reflected herein.

NOW, THEREFOR, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Employment; Duties.

1.1 Employment, Duties, Reporting. The Company does hereby engage and employ the Executive to render services to the Company as its Chief Executive Officer. The Executive shall perform such other duties consistent with such position or as may be assigned to the Executive by the Board of Directors of the Company (the "Board"), to whom the Executive shall report. The Executive's business development duties will include but not be limited to: (i) assist management of the Company's three (3) existing businesses, Faneuil Inc. ("Faneuil"), Floors-N-More LLC ("Carpets") and Phoenix Color Corp. ("Phoenix"), and together with Faneuil and Carpets, the "Legacy Businesses"), in the growth of their earnings, (ii) to source and acquire new businesses for the Company (the "New Businesses") and (iii) such other duties as the Compensation, Nominating and Corporate Governance Committee (the "CNCG Committee") of the Board may deem appropriate consistent with the Executive's position. The Executive hereby agrees to render the services described above. During the Term (as defined below), the Executive agrees to serve the Company faithfully and to the best of the Executive's ability and to use the Executive's best efforts, skill and ability to promote the Company's interests.

1.2 Location. The duties to be performed by the Executive hereunder shall be performed in such locations as mutually agreed upon with the CNCG Committee and the Executive.

2. Term of Employment.

The Executive's employment under this Agreement shall commence on July 29, 2019 (the "Effective Date") and shall continue until September 30, 2020 (the "Initial Term"), subject to earlier termination pursuant to Section 4; provided, however, that following the end of the Initial Term or any Extended Term (as defined below), the Executive's employment shall be automatically extended for an additional two (2)-year term (the "Extended Term"), unless either the Company or the Executive provides thirty (30)-days' prior written notice of non-renewal. The Executive shall remain subject to the restrictive covenants set forth in Section 5 for the Restricted Period (as defined below). The Initial Term and any Extended Term shall collectively be referred to as the "Term".

3. Compensation; Benefits.

3.1 Salary. During the Term, the Executive's base salary shall be at annual rate of Two Hundred Twenty Five Thousand Dollars (\$225,000) (commencing as of the Effective Date), paid in accordance with the Company's normal payroll practices in effect from time to time and less such deductions or amounts to be withheld as required by applicable law and regulations (the "Base Salary"); provided that, at the Company's sole discretion (which decision must be approved by the CNCG Committee), up to One Hundred Fifty Thousand Dollars (\$150,000) of the Base Salary may be paid in the form of Company stock delivered in twelve equal installments on the last day of each month and at a price per share equal to the NASDAQ closing price of the Company's stock on the date of issuance. In the event that the CNCG Committee, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement.

3.2 Incentive Compensation. The Executive shall be eligible to earn annual incentive compensation (the "Annual Bonus") and potential sale bonuses (the "Realization Bonuses"), to be calculated as set forth in Appendix A herein. For purposes of illustration only, model calculations of the Annual Bonus and Realization Bonuses are also set forth in Exhibit A herein.

3.3 Business Expenses. The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement in accordance with the Company's business expense policy, upon presentation of expense statements or vouchers or such other supporting information as the Company customarily may require of its officers within sixty (60) days after such expenses have been incurred by the Executive; provided, however, that the Company shall pay or reimburse the Executive for business expenses actually incurred or paid by the Executive that are not covered by Company's business expenses policy in an amount up to One Hundred And Seventeen Thousand Dollars (\$117,000) for the Initial Term, and One Hundred Thousand Dollars (\$100,000) or such other maximum amount for each fiscal year thereafter as determined by the CNCG Committee.

3.4 Paid Time Off. The Executive shall be entitled to six (6) weeks of paid time off per calendar year.

3.5 Benefits. During the Term, the Executive shall be entitled to all benefits for which the Executive shall be eligible under any Company sponsored plans, 401(k) plan, group insurance or other health and welfare benefit plans, as well as all benefits which the Company provides to its executive employees generally, which benefits may be amended, modified or terminated in the Company's discretion.

4. Termination.

4.1 Cause. The Company may, at any time, by written notice to the Executive, terminate the Executive's employment for "Cause" (as defined below) and, upon such termination, the Term shall terminate and the Executive shall be entitled to receive no further amounts or benefits hereunder, except for any Base Salary earned but not paid prior to such termination. In addition, all vested but unexercised Options (if any) as of the date of the termination for Cause shall lapse and be forfeited by the Executive within ten (10) days following the date of termination.

4.2 Termination by Company without Cause or by the Executive for Good Reason

. If the Executive's employment is terminated prior to the end of the Initial Term or the Extended Term by the Company without Cause or by the Executive for Good Reason (as defined below), the Executive shall receive (i) any earned but unpaid Base Salary or Annual Bonus and (ii) as severance pay, (a) the lesser of (x) Base Salary for a period of one year and (y) Base Salary through the end of the Initial Term or the Extended Term, as applicable, during which the termination takes place (the "Severance Period") in accordance with the Company's normal payroll practices, (b) continuation for the Severance Period of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits paid in full by the Company (provided that the Company shall not be required to pay any portion of the premium if such payment would result in additional taxes imposed on the Company) and (c) an Annual Bonus payment equal to an amount that is prorated for the period of Executive's service during the year of termination and calculated based on actual EBITDA (as defined below) for the year of termination and paid when annual bonuses are paid to executives of the Company generally. The Executive shall have no further rights to any compensation or any other benefits under this Agreement except as required by applicable law.

4.3 Termination by the Executive. Except as provided in Section 4.2 for a resignation due to Good Reason, the Executive is required to provide the Company with thirty (30) days' prior written notice of resignation. Subject to Section 4.2, upon termination of employment by the Executive, the Executive shall receive any Base Salary earned but not paid prior to such termination and shall have no further rights to any compensation or any other benefits under this Agreement, except to the extent already earned and vested as of the day immediately prior to such termination.

4.4 Release. Notwithstanding any other provision of this Agreement to the contrary, the Executive acknowledges and agrees that any and all payments, other than payment of any accrued and unpaid Base Salary, to which the Executive is entitled under this Section 4 are conditioned upon and subject to the Executive's execution, delivery and non-revocation of a general waiver and release, in such form as may be prepared by the Company,

except for such matters covered by provisions of this Agreement which expressly survive the termination of this Agreement, including but not limited to the restrictive covenants contained in Section 5 of this Agreement (the “Release Condition”). If the Executive is a “specified employee” within the meaning of Section 409A and as determined by the Company (a “Specified Employee”), any payment or benefit under this Agreement, or under any plan or arrangement of the Company or its affiliates, that constitutes a “deferral of compensation” subject to Section 409A will not be paid or provided to the Executive until the earlier of (i) the first day following the six (6)-month anniversary of the Executive’s separation from service” (as defined in , or (ii) the Executive’s death. No payments or benefits will be due or payable under this Agreement unless the Release Condition is timely met.

4.5 Definitions.

4.5.1 “Cause” means: (i) continued neglect by the Executive of the Executive’s duties hereunder, (ii) continued incompetence or unsatisfactory attendance, (iii) conviction of, or plea of *nolo contendere* to, any felony, (iv) violation of the rules, regulations, procedures or instructions relating to the conduct of employees, directors, officers and/or consultants of the Company, (v) willful misconduct by the Executive in connection with the performance of any material portion of the Executive’s duties hereunder, (vi) breach of fiduciary obligation owed to the Company or commission of any act of fraud, embezzlement, disloyalty or defalcation, or usurpation of a Company opportunity, (vii) breach of any provision of this Agreement, including any non-competition, non-solicitation and/or confidentiality provisions hereof, (viii) any act that has a material adverse effect upon the reputation of and/or the public confidence in the Company, (ix) failure to comply with a reasonable order, policy or rule that constitutes material insubordination, (x) engaging in any discriminatory or sexually harassing behavior if determined by a court of competent jurisdiction or (xi) using, possessing or being impaired by or under the influence of illegal drugs or the abuse of controlled substances or alcohol on the premises of the Company or any of its subsidiaries or affiliates or while working or representing the Company or any of its subsidiaries or affiliates. A termination for Cause by the Company for any or the events described in clauses (i), (ii), (iv), and (ix) shall only be effective on fifteen (15) days advance written notification, providing Executive the opportunity to cure, if reasonably capable of cure within said fifteen (15)-day period; provided, however, that no such notification is required if the Cause event is not reasonably capable of cure or the Board or the CNCG Committee determines that its fiduciary obligation requires it to effect a termination of the Executive for Cause immediately.

4.5.2 “Good Reason” means, without the advance written consent of the Executive: (i) a reduction in Base Salary, unless such reduction is made generally to other senior executives of the Company or (ii) a material reduction in the Executive’s title and/or responsibilities, provided, that a change in reporting responsibilities or a reduction in responsibilities that occurs solely by virtue of the Company being acquired and made part of a larger entity shall not by itself constitute Good Reason and provided, further, that a termination by the Executive for Good Reason shall be effective only if the Executive provides the Company with written notice specifying the event which constitutes Good Reason within thirty (30) days following the occurrence of such event or date the Executive became aware or should have become aware of such event, the Company fails to cure the circumstances giving rise to Good

Reason within thirty (30) days after such notice, and the Executive resigns within thirty (30) days after the expiration of the Company's thirty (30) -day cure period.

4.5.3 "EBITDA" means for any fiscal year of the Company, consolidated operating income for such fiscal year of the Company plus, without duplication and to the extent reflected as a charge in the statement of such operating income for such fiscal year, the sum of (i) depreciation and amortization expense (excluding amounts of prepaid incentives under customer contracts), (ii) any extraordinary non-cash expenses or losses, (iii) all restructuring costs (as defined under U.S. generally accepted accounting principles ("GAAP")), (iv) fees paid to the Company's external advisors in connection with acquisitions for the business (whether or not consummated) and (v) effects of changes in accounting policy and GAAP, in the case of clauses (i) through (iii) above, solely with respect to the Company, and minus without duplication and to the extent included in the statement of such operating income for such period, the sum of (a) any extraordinary or non-recurring non-cash income or gains (including, whether or not otherwise includable as a separate item in the statement of such operating income for such period, gains on the sales of assets outside of the ordinary course of business), (b) effects of changes in accounting policy and GAAP, and (c) any cash payments made during such period in respect of items described in clause (ii) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of operating income, in the case of clauses (a) through (c) above, solely with respect to the Company, all of the foregoing to be determined by the CNCG Committee.

4.6 Section 409A.

4.6.1 This Agreement is intended to satisfy the requirements of Section 409A of the Code and the regulations and other guidance thereunder ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more of the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A, or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties, provided that, notwithstanding the foregoing, the Company makes no representation that amounts payable under this Agreement will comply with Section 409A and makes no undertaking to prevent Section 409A from applying to any amounts paid under this Agreement.

4.6.2 Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to

the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) (“short-term deferrals”) and (b)(9) (“separation pay plans,” including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6.

4.6.3 Notwithstanding anything to the contrary in this

Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive’s “separation from service” occurs; and provided, further, that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive’s “separation from service” occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise) the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

5. Protection to Confidential Information; Restrictive Covenants.

5.1 During the Term, the Company will share with the Executive confidential and trade secret information regarding not only the Company but also its subsidiaries and affiliates. In view of the fact that the Executive’s work for the Company will bring the Executive into close contact with many confidential affairs of the Company not readily available to the public, trade secret information and plans for future developments, the Executive agrees:

5.1.1 To keep and retain in the strictest confidence all confidential matters of the Company, including, without limitation, “know how”, trade secrets, customer lists, pricing policies, operational methods, technical processes, formulae, inventions and research projects, other business affairs of the Company, and any material confidential information whatsoever concerning any director, officer, employee, shareholder, partner, customer or agent of the Company or their respective family members learned by the Executive heretofore or hereafter, and not to disclose them to anyone outside of the Company, either during or after the Executive’s employment with the Company, except in the course of performing the Executive’s duties hereunder or with the Company’s express written consent. The foregoing prohibitions shall include, without limitation, directly or indirectly publishing (or causing, participating in, assisting or providing any statement, opinion or information in connection with the publication of) any diary, memoir, letter, story, photograph, interview, article, essay, account or description (whether fictionalized or not) concerning any of the foregoing, publication being deemed to include any presentation or reproduction of any written, verbal or visual material in any communication medium, including any book, magazine, newspaper, theatrical production or movie, or television or radio programming or commercial; provided, however, that the foregoing

shall not (i) preclude the Executive from providing information to the Executive's attorney, accountant or other independent financial or legal advisor in order for them to render professional services to the Executive, to the extent those persons expressly agree to maintain confidentiality in accordance with the above, or (ii) preclude the Executive from showing this Agreement to any prospective employers.

5.1.2 To deliver promptly to the Company on termination of the Executive's employment by the Company, or at any time the Company may so request, all memoranda, notes, records, reports, manuals, drawings, blueprints and other documents (and all copies thereof), including data stored in computer memories or on other media used for electronic storage or retrieval, relating to the Company's business and all property associated therewith, which the Executive may then possess or have under the Executive's control, and not retain any copies, notes or summaries; provided that the Executive shall be entitled to keep a copy of this Agreement and compensation and benefit plans to which the Executive is entitled to receive benefits thereunder.

5.2 In support of the Executive's commitments to maintain the confidentiality of the Company's confidential and trade secret information, (i) during the Term and for any period the Executive is employed by the Company after the Term, and (ii) for a period of one (1) year following termination of the Executive's employment for any reason (the "Restricted Period"), the Executive shall not, in the United States and in any non-U.S. jurisdiction where the Company may then do business: (a) directly or indirectly, enter the employ of, or render any services to, any person, firm or entity engaged in the business of retail flooring, countertop, cabinets or window covering sales, call center, back office, staffing or toll collection services, manufacturing of book covers and components, and such other material businesses that are acquired or entered into prior to the Executive's termination and competitive with any business of the Company; (b) engage in such business on the Executive's own account, and the Executive shall not become interested in any such business, directly or indirectly, as an individual, partner, shareholder owning 5% or more of a public company, director, officer, principal, agent, employee, trustee, consultant, or in any other relationship or capacity; (c) directly or indirectly, solicit or encourage (or cause to be solicited or encouraged) or cause any client, customer or supplier of the Company or of any of its subsidiaries to cease doing business with the Company or, if applicable, the Company subsidiaries, or to reduce the amount of business such client, customer or supplier does with the Company or its subsidiaries; or (d) directly or indirectly, solicit or encourage (or cause to be solicited or encouraged) to cease to work with the Company, or hire (or cause to be hired), any person who is an employee of or consultant then under contract with the Company, or who was an employee of or consultant then under contract with the Company within the six (6)-month period preceding such activity without the Company's written consent, provided, however, that this clause (d) shall not apply (1) during the Restricted Period to a consulting or advisory firm which is also then currently engaged or under a retainer relationship (in each case, without any action by the Executive, whether directly or indirectly) by a subsequent employer of the Executive, or (2) if the Executive engages (or cause to be engaged) any consultant then under contract with the Company so long as such engagement does not interfere with the consultant's contractual obligations or work for the Company.

5.3 If the Executive commits a breach, or poses a serious and objective threat to commit a breach, of any of the provisions of Sections 5.1 or 5.2 hereof, the Company shall have the following rights and remedies:

5.3.1 The right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company;

5.3.2 The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of the preceding paragraph, and the Executive hereby agrees to account for and pay over such benefits to the Company. Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity; and

5.3.3 In addition to any other remedy which may be available (i) at law or in equity, or (ii) pursuant to any other provision of this Agreement, the payments by the Company of Base Salary and the regular premium for group health benefits pursuant to Section 4 will cease as of the date on which such violation first occurs. In addition, if the Executive breaches any of the covenants contained in Sections 5.1 or 5.2, and the Company obtains injunctive relief with respect thereto (that is not later reversed or otherwise terminated or vacated by judicial order), the period during which the Executive is required to comply with that particular covenant shall be extended by the same period that the Executive was in breach of such covenant prior to the effective date of such injunctive relief.

5.4 If any of the covenants contained in Sections 5.1 or 5.2, or any part thereof, hereafter are held by a court to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to those portions found invalid.

5.5 If any of the covenants contained in Sections 5.1 or 5.2, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, said provision shall then be enforceable.

5.6 The Executive agrees, and the Company agrees to instruct its directors and officers (whether during or after the Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its affiliates or the officers, directors, managers, customers, partners, or shareholders of the Company or its affiliates and the Executive, respectively, provided that nothing herein shall prohibit either party from providing truthful testimony or information if such testimony or information is required by law or applicable regulation.

5.7 For purposes of this Section 5 only , except clauses (a), (b) and (c) of Section 5.2 , the term “Company” includes the Company and its subsidiaries and affiliates.

6. Inventions and Patents .

6.1 The Executive agrees that all processes, technologies and inventions (collectively, “ Inventions ”), including new contributions, improvements, ideas and discoveries, whether patentable or not, conceived, developed, invented or made by him during the Term shall belong to the Company, provided that such Inventions grew out of the Executive’s work with the Company or any of its subsidiaries or affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its subsidiaries or affiliates or are conceived or made on the Company’s time or with the use of the Company’s facilities or materials. The Executive shall further: (i) promptly disclose such Inventions to the Company; (ii) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and non-U.S. countries; (iii) sign all papers necessary to carry out the foregoing; and (iv) give testimony in support of the Executive’s inventorship.

6.2 If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by the Executive within two (2) years after the termination of the Executive’s employment by the Company, it is to be presumed that the Invention was conceived or made during the Term.

6.3 The Executive agrees that the Executive will not assert any rights to any Invention as having been made or acquired by the Executive prior to the date of this Agreement, except for Inventions, if any, disclosed to the Company in writing prior to the date hereof.

7. Intellectual Property .

Following the Effective Date, the Company shall be the sole owner of all the products and proceeds of the Executive’s services hereunder, including all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Executive may acquire, obtain, develop or create in connection with the Executive’s work for the Company, as discussed in Section 1.1 hereof, during the Term, free and clear of any claims by the Executive (or anyone claiming under the Executive) of any kind or character whatsoever (other than the Executive’s right to receive payments hereunder). The Executive shall, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title or interest in or to any such properties.

8. Clawback .

Notwithstanding any other provisions in this Agreement to the contrary, following (i) the determination by the Audit Committee of the Board, in its discretion after consultation with the Company’s auditors, of a material restatement, revision or change to the Company’s financial statements requiring a change in the calculation of EBITDA, Pre-Bonus Calculation or

Profit for any particular fiscal year of the Company, or (ii) a breach by the Executive of his fiduciary obligation owed to the Company or the commission by the Executive of an act of fraud, embezzlement, disloyalty or defalcation, or usurpation of a Company opportunity, the CNCG Committee may require repayment from the Executive of any excess incentive-based compensation, including but not limited to, the Annual Bonus and the Realization Bonus, or any other compensation, paid to the Executive pursuant to this Agreement or any other agreement or arrangement with the Company (the “Clawback Bonus”); provided, however, that should the required repayment of the Clawback Bonus occur in a calendar year after the year the Executive originally received the Clawback Bonus, the CNCG Committee may first require repayment from the Executive the after-tax portion of the Clawback Bonus only, and the remainder of the Clawback Bonus upon the Executive’s successful claim of relief under Section 1341 of the Code. The Executive shall use the Executive’s best efforts to promptly seek a claim of relief under Section 1341 of the Code following notification from the CNCG Committee of any repayment obligations. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

9. Standstill.

The Executive agrees that, from the date hereof, the Executive shall not, without the prior written consent of the Board, including the prior written consent of a majority of the independent members of the Board or the CNCG Committee, acquire, in any manner, directly or indirectly, or together with, on behalf of or for the benefit of any other party, by purchase or otherwise (or assist or consult with any party with respect to the foregoing), any shares of the Company in excess of the number of shares as held by the Executive on the date hereof (including shares to be acquired, and shares issuable upon exercise of warrants issued, pursuant to that certain Common Stock Purchase Agreement, dated on or about July 26, 2019 and excluding (i) shares of the Company that may be granted to the Executive pursuant to Section 3.1 of this Agreement and (ii) all shares underlying outstanding options as held by the Executive on the date hereof) if such acquisition would result in shares held by the Executive and the Executive’s family members (the “Executive Affiliated Shares”) to constitute an ownership percentage of greater than 45% of the Company’s equity; provided, however, that any Executive Affiliated Shares in excess of 40% of the Company’s equity shall be subject to a voting agreement pursuant to which the Executive Affiliated Shares in excess of 40% of the Company’s equity shall be voted on any matter brought for a stockholders vote in accordance with the vote of the majority of all other outstanding shares, excluding the Executive Affiliated Shares constituting 40% of the equity of the Company.

10. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by overnight courier or mailed first class, postage prepaid, by registered or certified mail (notices mailed shall be deemed to have been given on the date mailed), as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company , to:
ALJ Regional Holdings, Inc.
Attn: Chair of the Compensation, Nominating and Corporate Governance Committee
244 Madison Avenue, PMB #358
New York, NY 10016

With a copy (which shall not constitute notice) to:
Shearman & Sterling LLP
1460 El Camino Real, 2 nd Floor
Menlo Park, CA 94025
Attn.: Christopher M. Forrester

If to the Executive, to:

Such address as shall most currently appear on the records of the Company.

11. Governing Law; Dispute Resolution.

11.1 It is the intent of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof that would call for the application of the substantive law of any jurisdiction other than the State of Delaware.

11.2 Each party irrevocably agrees for the exclusive benefit of the other that any and all suits, actions or proceedings relating to Sections 5, 6 or 7 of this Agreement (a “Proceeding”) shall be maintained in either the courts of the State of Delaware or the federal District Courts sitting in Wilmington, Delaware (collectively, the “Chosen Courts”) and that the Chosen Courts shall have exclusive jurisdiction to hear and determine or settle any such Proceeding and that any such Proceedings shall only be brought in the Chosen Courts. Each party irrevocably waives any objection that it may have now or hereafter to the laying of the venue of any Proceedings in the Chosen Courts and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceeding brought in the Chosen Courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Each of the parties hereto agrees that this Agreement involves at least \$100,000 and that this Agreement has been entered into in express reliance on Section 2708 of Title 6 of the Delaware Code. Each of the parties hereto irrevocably and unconditionally agrees (i) that, to the extent such party is not otherwise subject to service of process in the State of Delaware, it will appoint (and maintain an agreement with respect to) an agent in the State of Delaware as such party’s agent for acceptance of legal process and notify the other parties hereto of the name and address of said agent, (ii) that service of process may also be made on such party by pre-paid certified mail with a validated proof of mailing receipt constituting evidence of valid service sent to such party at the address set forth in Section 10 of this Agreement, as such address may be changed

from time to time pursuant hereto, and (iii) that service made pursuant to clause (i) or (ii) above shall, to the fullest extent permitted by applicable law, have the same legal force and effect as if served upon such party personally within the State of Delaware.

11.3 Any controversy or claim arising out of or related to any other provision of this Agreement shall be settled exclusively by final, binding and non-appealable arbitration in Wilmington, Delaware by a single arbitrator. Subject to the following provisions, the arbitration shall be conducted in accordance with the applicable rules of JAMS then in effect. Any award entered by the arbitrator shall be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrator shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of the Agreement. Each party shall be responsible for its own expenses relating to the conduct of the arbitration or litigation (including reasonable attorneys' fees and expenses) and shall share the fees of JAMS and the arbitrator, if applicable, equally.

12. General.

12.1 JURY TRIAL WAIVER. THE PARTIES EXPRESSLY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL IN THE EVENT ANY ACTION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT WITH THE COMPANY IS LITIGATED OR HEARD IN ANY COURT.

12.2 Headings. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

12.3 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the Executive's employment by the Company and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the Executive's employment by the Company. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

12.4 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. The Company may assign its rights, together with its obligations, hereunder (i) to any affiliate or (ii) to third parties in connection with any sale, transfer or other disposition of all or substantially all of the business or assets of the Company; in any event the obligations of the Company hereunder shall be binding on its successors or assigns, whether by merger, consolidation or acquisition of all or substantially all of its business or assets.

12.5 Waiver. This Agreement may be amended, modified, superseded, cancelled, renewed or extended and the terms or covenants hereof may be waived, only by a written instrument executed by all of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of

any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach or any other term or covenant contained in this Agreement.

12.6 Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such federal, state, local and other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. Subsidiaries and Affiliates.

13.1 As used herein, the term “subsidiary” shall mean any corporation or other business entity controlled directly or indirectly by the corporation or other business entity in question, and the term “affiliate” shall mean and include any corporation or other business entity, directly or indirectly, controlling, controlled by or under common control with the corporation or other business entity in question.

* **

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EXECUTIVE

 /s/ Jess Ravich

Jess Ravich

ALJ REGIONAL HOLDINGS, INC.

By: /s/ Brian Hartman

Name: Brian Hartman

Title: Chief Financial Officer

Appendix A: Incentive Compensation

This Appendix A forms a part of the Employment Agreement, dated as of July 29, 2019, (the “Agreement”) by and between Jess Ravich (the “Executive”) and ALJ Regional Holdings, Inc. (the “Company”). Capitalized terms used but not defined in this Appendix A shall have the meaning ascribed to them in the Agreement.

1. Definitions.

1.1. “Bonus Threshold” shall mean \$22,000,000, computed as consolidated EBITDA for the trailing twelve (12) months ended June 30, 2019 less actual Interest Expense; provided, however, that such amount shall be reduced in the event of the disposition of Phoenix or Carpets by 100% of the EBITDA for such Legacy Business for the trailing twelve (12) months prior to such disposition; and provided, further, that such amount shall be reduced in the event of the disposition of Faneuil by 50% of the EBITDA for Faneuil for the trailing twelve (12) months prior to such disposition, but in no event less than \$0.

1.2. “Bonus Stepdown Amount” shall mean \$52,000,000; provided, however, that should the Bonus Threshold be adjusted as provided above, the Bonus Stepdown Amount shall be concurrently adjusted to be \$30,000,000 greater than the Bonus Threshold, as adjusted from time to time, but in no event less than \$30,000,000.

1.3. “Interest Expense” shall mean the trailing twelve (12) months interest payments on the Company’s debt made during the applicable measuring period.

1.4. “Pre-Bonus Calculation” shall mean the amount that equals the Company’s trailing twelve month consolidated EBITDA *less* (i) the Interest Expense and (ii) if a sale of business is determined in accordance with GAAP to be revenue or extraordinary income, such revenue or extraordinary income, as applicable. For the avoidance of doubt, the Pre-Bonus Calculation shall be made after incurrence of EBITDA-based bonuses for each of the Chief Executive Officers of the respective operating company subsidiaries.

1.5. “Profit” shall mean the amount that equals the gross sale price (excluding expenses of the sale) of such business *less* the sum of (i) the gross purchase price of such business and any subsidiaries thereof that occur after the business was acquired by the Company and (ii) any growth capital expenditures incurred after the closing of the purchase of such business.

2. Annual Bonus. The Executive shall be entitled to an Annual Bonus equal to (i) 10% of Pre-Bonus Calculation in excess of the Bonus Threshold and up to the Bonus Stepdown Amount and (ii) 5% of Pre-Bonus Calculation in excess of the Bonus Stepdown Amount, calculated based on the Company’s fiscal year ending September 30 and paid within 100 days of such fiscal year end. Notwithstanding the foregoing, the CNCG Committee, in its sole discretion and consistent with its fiduciary obligations, may adjust the Annual Bonus up or down by no more than 25%.

3. Realization Bonus. In connection with any sale of a business, the Executive shall be entitled to a Realization Bonus equal to (i) following a sale of Faneuil, 2.5% of the first

\$25,000,000 of Profit and 5% of any Profit in excess of \$25,000,000 ; and (ii) following a sale of any other subsidiary of the Company , whether a Legacy Business (other than Faneuil) or a New Business, 5% of the Profit . Subject to the Executive's continued employment with the Company as of the closing of the applicable sale of business, t he Realization Bonus shall be paid to the Executive: (a) first as of the closing of the sale, in an amount that equals the Executive's entitlement (i.e. , 2.5% or 5% of Profit, as applicable) multiplied by the actual cash received by the Company as of the closing ; and (b) then upon receipt by the Company of any earnouts or the relief of any sale restrictions on purchaser's shares tendered for the sale, as applicable, a ny remaining portions of the Realization Bonus . Notwithstanding the foregoing, the CNCG Committee , in its sole discretion and consistent with its fiduciary obligations , may adjust the Realization Bonus up or down by no more than 25% .

Exhibit A: Incentive Compensation Examples

Example A-1

From October 1, 2019 to September 30, 2020, Faneuil has EBITDA of \$15,000,000, Phoenix has EBITDA of \$22,000,000, Carpets has EBITDA of \$2,000,000, and ALJ/Corporate Overhead is (\$2,000,000), with Interest Expense of \$11,000,000¹. The Executive's Bonus Threshold for Fiscal 2020 is \$22,000,000. Total EBITDA for Fiscal 2020 is \$37,000,000, with Pre-Bonus Calculation of \$26,000,000. Executive shall receive an Annual Bonus for Fiscal 2020 in the amount of \$ 400,000, calculated as follows:

- (1) 10% of amount by which Pre-Bonus Calculation exceeds \$22,000,000 (\$26,000,000 – \$22,000,000, or \$400,000) plus
- (2) 5% of amount by which Pre-Bonus Calculation exceeds \$52,000,000 (n/a), or \$0.

In this situation, Total Direct Compensation (TDC) would be \$625,000, and TDC as a percentage of EBITDA would be 1.7%. No changes occur to the Bonus Threshold or Stepdown Bonus Threshold Amount.

Example A-2

The Company purchases "New Business X" for \$15,000,000 and invests \$1,000,000 in growth cap ex. For the Fiscal Year ended September 30, 2020, Faneuil has EBITDA of \$17,000,000, Phoenix has EBITDA of \$22,000,000, Carpets has EBITDA of \$2,000,000 and New Business X has EBITDA of \$4,000,000. Total EBITDA for Fiscal Year ended September 30, 2020 is \$43,000,000 with Pre-Bonus Calculation of \$32,000,000. Executive's Bonus Threshold shall remain unchanged at \$22,000,000 (EBITDA of acquired businesses does not increase the targets). Executive shall receive an Annual Bonus for the Fiscal Year ended September 30, 2020 in the amount of \$ 1,000,000, calculated as follows:

- (1) 10% of amount by which Pre-Bonus Calculation (\$32,000,000) exceeds \$22,000,000 but is less than the Stepdown Bonus Threshold Amount of \$52,000,000, or \$1,000,000 plus
- (2) 5% of amount by which Pre-Bonus Calculation exceeds the Stepdown Bonus Threshold of \$52,000,000 (n/a), or \$0.

In this situation, Total Direct Compensation (TDC) would be \$1,225,000, and TDC as a percentage of EBITDA would be 2.8%.

Example A-3

The Company sells Faneuil with \$50,000,000 in Profit. Executive is eligible to receive a one-time Realization Bonus from the sale of Faneuil, and the Bonus Threshold and the Stepdown Bonus Threshold will be reduced by 50% of the TTM EBITDA for Faneuil (\$16,000,000). Thus,

¹ In all examples, ALJ corporate overhead is assumed to be \$2,000,000. Unless otherwise specified, Interest Expense is assumed to be \$11,000,000.

the Bonus Threshold is reduced by \$8,000,000, from \$22,000,000 to \$14,000,000, and the Stepdown Bonus Threshold Amount is reduced by \$8,000,000, from \$52,000,000 to \$44,000,000. For the Fiscal Year ended September 30, 2021, Faneuil had EBITDA prior to sale of \$8,000,000, Phoenix has EBITDA of \$22,000,000, Carpets has EBITDA of \$2,000,000 and New Business X has EBITDA of \$6,000,000. Total EBITDA for Fiscal Year ended September 30, 2021 is \$36,000,000, with Pre-Bonus Calculation of \$25,000,000 plus \$50,000,000 in Profit.

Executive shall receive an Annual Bonus for the Fiscal Year ended September 30, 2021 in the amount of \$1,100,000, calculated as follows:

- (1) 10% of amount by which Pre-Bonus Calculation (\$25,000,000) exceeds \$14,000,000 but is less than the Stepdown Bonus Threshold, or \$1,100,000 plus
- (2) 5% of amount by which Pre-Bonus Calculation exceeds the Stepdown Bonus Threshold of \$44,000,000 (n/a), or \$0.

Executive shall also be able to receive a one-time Realization Bonus of \$1,875,000, calculated as follows:

- (1) 2.5% of the Profit from the sale of Faneuil up to \$25,000,000, or \$625,000 plus
- (2) 5% of the Profit from the sale of Faneuil above \$25,000,000, or \$1,250,000.

In this situation, Total Direct Compensation (TDC) would be \$3,200,000, and TDC as a percentage of EBITDA plus Profit would be 3.7%.

If in Fiscal 2022, the two remaining Legacy Businesses and the one New Business do the exact same EBITDA then Total EBITDA for Fiscal Year ended September 30, 2022 would be \$28,000,000. If part of the Profit were used to pay down debt, such that Interest Expense for fiscal 2022 was \$8,000,000 instead of \$11,000,000, Pre-Bonus Calculation for Fiscal 2022 would be \$20,000,000, and Executive would receive an Annual Bonus of \$600,000 as follows:

- (1) 10% of amount by which Pre-Bonus Calculation (\$20,000,000) exceeds \$14,000,000 but is less than the Stepdown Bonus Threshold, or \$600,000 plus
- (2) 5% of amount by which Pre-Bonus Calculation exceeds the Stepdown Bonus Threshold of \$44,000,000 (n/a), or \$0.

In this situation, Total Direct Compensation (TDC) would be \$825,000, and TDC as a percentage of EBITDA would be 2.9%.

Example A-4

On September 30, 2022, the Company sells New Business X for \$22,000,000 with Profit of \$6,000,000. The Bonus Threshold remains \$14,000,000 and the Stepdown Bonus Threshold Amount remains \$44,000,000.

For the year ended September 30, 2022, Phoenix has EBITDA of \$22,000,000, Carpets has EBITDA of \$2,000,000 and New Business X has EBITDA of \$7,000,000. Total EBITDA for Fiscal Year ended September 30, 2022 is \$29,000,000. If Interest Expense remains constant at

\$8,000,000, Pre-Bonus Calculation would be \$21,000,000 plus \$6,000,000 in Profit. Executive shall receive an Annual Bonus for the Fiscal Year ended September 30, 2022 in the amount of \$ 7 00,000, as follows:

- (1) 10% of amount by which Pre-Bonus Calculation (\$21,000,000) exceeds \$14,000,000 but is less than the Stepdown Bonus Threshold (\$44,000,000), or \$700,000, plus
- (2) 5% of amount by which Pre-Bonus Calculation exceeds the Stepdown Bonus Threshold of \$44,000,000 (n/a), or \$0.

Executive shall also be able to receive a one-time Realization Bonus of \$300,000, calculated as follows:

- (3) 5% of the Profit, or \$300,000.

In this situation, Total Direct Compensation (TDC) would be \$1,225,000 and TDC as a percentage of EBITDA plus Profit would be 3.5%.

MEMBERSHIP INTEREST PURCHASE AGREEMENT

**BY AND AMONG
GREGG L. ANTENEN,
RICHARD A. VEED,
SEAN P. MURPHY
AND
FANEUIL, INC.**

Dated as of July 31, 2019

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into as of July 31, 2019 by and among Faneuil, Inc., a Delaware corporation (the “**Purchaser**”), Gregg L. Antenen, an individual (“**Antenen**”), Richard A. Veed, an individual (“**Veed**”) and Sean P. Murphy, an individual (“**Murphy**”), and together with Antenen and Veed, the “**Sellers**”). All capitalized terms that are used but not defined herein shall have the respective meanings ascribed thereto in Annex A.

RECITALS

WHEREAS, the Sellers own all of the issued and outstanding membership interests (the “**Membership Interests**”) of Realtime Digital Innovations, LLC, a limited liability company organized under the laws of the State of Illinois (the “**Company**”).

WHEREAS, the Sellers and the Company have developed the Business and the Company Software, which Business and Company Software are owned by the Company.

WHEREAS, the Sellers have agreed to sell to Purchaser, and Purchaser has agreed to purchase from the Sellers, all of the Membership Interests of the Company on the terms and subject to the conditions set out in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other premises set forth herein, the mutual benefits to be gained by the performance thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree as follows:

ARTICLE I PURCHASE AND SALE

Section 1.1 Closing

The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place simultaneously with the execution of this Agreement on the date of this Agreement (the “**Closing Date**”) at the offices of Shearman & Sterling LLP, 1460 El Camino Real, Floor 2, Menlo Park, CA 94025 at 10:00 A.M. California time. The transactions contemplated hereby shall be effective at 12:01 a.m. Eastern time on the Closing Date (the “**Effective Time**”).

Section 1.2 Purchase and Sale

(a) Purchase and Sale. Upon and subject to the terms and conditions of this Agreement, at the Closing, each Seller shall sell, assign and transfer to Purchaser all Membership Interests, free and clear of all Liens and any other rights or claims of others, and Purchaser shall purchase such Membership Interests from each Seller, for consideration in the amount of the Purchase Price, and paid in accordance with, Sections 1.2(b) to 1.2(e).

(b) Payment at Closing. Subject to the terms and conditions of this Agreement, Purchaser shall pay, for the Membership Interests purchased hereunder, by wire transfer in

immediately available funds in accordance with the wire transfer instructions provided to Purchaser prior to the Closing, an amount in cash equal to \$ 2,500,000 (the “ **Closing Payment** ”) .

(c) Milestone Payments . As partial payments of the Purchase Price and subject to Section 6.6 , after the Closing, the Sellers shall receive the following payments up to an aggregate amount of \$7,500,000, subject to the Holdback Amount, if applicable, over a three-year period as calculated below (each, a “ **Milestone Payment** ”) with the first such Milestone Payment payable with respect to the period commencing on the Effective Date and ending September 30, 2020 (“ **Measurement Period 1** ”), the second such Milestone Payment payable with respect to the twelve (12) month period ended September 30, 2021 (“ **Measurement Period 2** ”), and the third such Milestone Payment payable with respect to the twelve (12) month period ended September 30, 2022 (“ **Measurement Period 3** ,” and together with Measurement Period 1 and Measurement Period 2, the “ **Measurement Periods** ”):

(i) The “ **Measurement Period 1 Milestone Payment** ”: An amount equal to \$2,500,000 if the standalone business operations revenues of the Company, as determined based on the pre-determined, fixed sales pricing set forth in the Amended and Restated Software Subscription Agreement, by and between the Company and Buyer, dated as of the date hereof, and in accordance with GAAP (the “ **RDI Revenue** ”), meet or exceed \$2,600,000 in Measurement Period 1; an amount equal to \$2,187,500 if RDI Revenues in Measurement Period 1 are greater than or equal to \$2,470,000 and less than \$2,600,000; an amount equal to \$1,875,000 if RDI Revenues in Measurement Period 1 are greater than or equal to \$2,340,000 and less than \$2,470,000; an amount equal to \$1,562,500 if RDI Revenues in Measurement Period 1 are greater than or equal to \$2,210,000 and less than \$2,340,000; an amount equal to \$1,250,000 if RDI Revenues in Measurement Period 1 are greater than or equal to \$2,080,000 and less than \$2,210,000; and an amount equal to \$0 if RDI Revenues in Measurement Period 1 are less than \$2,080,000;

(ii) The “ **Measurement Period 2 Milestone Payment** ”: An amount equal to \$2,500,000 if the RDI Revenue meets or exceeds \$3,800,000 (“ **Period 2 Revenue Target** ”) in Measurement Period 2; an amount equal to \$2,187,500 if RDI Revenues in Measurement Period 2 are greater than or equal to \$3,610,000 and less than \$3,800,000; an amount equal to \$1,875,000 if RDI Revenues in Measurement Period 2 are greater than or equal to \$3,420,000 and less than \$3,610,000; an amount equal to \$1,562,500 if RDI Revenues in Measurement Period 2 are greater than or equal to \$3,230,000 and less than \$3,420,000; an amount equal to \$1,250,000 if RDI Revenues in Measurement Period 2 are greater than or equal to \$3,040,000 and less than \$3,230,000; and an amount equal to \$0 if RDI Revenues in Measurement Period 2 are less than \$3,040,000; and

(iii) The “ **Measurement Period 3 Milestone Payment** ”: An amount equal to \$2,500,000 if the RDI Revenue meets or exceeds \$7,500,000 (“ **Period 3 Revenue Target** ”) in Measurement Period 3; an amount equal to \$2,187,500 if RDI Revenues in Measurement Period 3 are greater than or equal to \$7,125,000 and less than \$7,500,000; an amount equal to \$1,875,000 if RDI Revenues in Measurement Period 3 are greater than or equal to \$6,750,000 and less than \$7,125,000; an amount equal to \$1,562,500 if RDI Revenues in Measurement Period 3 are greater than or equal to \$6,375,000 and less than

\$6,750,000; an amount equal to \$1,250,000 if RDI Revenues in Measurement Period 3 are greater than or equal to \$6,000,000 and less than \$6,375,000; and an amount equal to \$0 if RDI Revenues in Measurement Period 3 are less than \$6,000,000.

Any Milestone Payment required to be paid pursuant to the terms hereof shall be paid on or prior to March 31st immediately following the applicable Measurement Period. For the avoidance of doubt, determination of the Milestone Payment is not on a sliding scale, such that if the RDI Revenue in a Measurement Period falls between two revenue target thresholds set forth above, the amount of Milestone Payment shall be determined by applying the lower of the two thresholds. By way of example, if RDI Revenues in Measurement Period 3 are \$7,250,000, Seller shall be entitled to a Period 3 Payment in the amount of \$2,187,500.

For the avoidance of doubt, the management and operations of the Company and the Business, from and after the Closing Date, will be at Purchaser's sole discretion; provided, however, that Purchaser hereby agrees to not take any actions the primary intent of which is to prevent the Sellers from receiving all or part of a Milestone Payment.

The parties acknowledge and agree that the Milestone Payments provided for in this Section 1.2(c) are provided for in order to reflect the underlying goodwill of the business of the Company, the value of which cannot reasonably be expected to be agreed upon by the Sellers and the Purchaser at the Closing. To the extent that any portion of a Milestone Payment is not paid in accordance with this Section 1.2(c), such unpaid portion will be treated as a reduction in the Purchase Price.

(d) Guaranteed Payment. As partial payments of the Purchase Price and subject to Section 6.6, following Measurement Period 3, the Sellers will be eligible to receive an amount equal to the positive difference, if any, between \$2,500,000 and any Milestone Payments paid through the end of Measurement Period 3 (the "**Guaranteed Payment**"). The Guaranteed Payment, if applicable, shall be paid on or before March 31, 2023, subject to the Holdback Amount, if applicable.

(e) Holdback Amount. At the Closing, Purchaser shall withhold an amount equal to \$250,000 (the "**Holdback Amount**") to be funded by withholding from any Milestone Payment or Guaranteed Payment, as applicable, to be paid by Purchaser to Sellers as set forth in this Section 1.2, and used to secure the payment, performance, indemnification and post-closing obligations of the Sellers under this Agreement and the Amended and Restated Software Subscription Agreement.

Section 1.3 Closing Deliveries by the Sellers

At the Closing, contemporaneously with the execution and delivery of this Agreement, the Sellers shall deliver or cause to be delivered to Purchaser the following:

(a) an assignment and assumption of the Membership Interests sufficient to transfer to Purchaser good and valid title in such Seller's Membership Interests free and clear of all pledges, security interests, liens, prior assignments, conditions or other encumbrances, substantially in the form of Exhibit A attached hereto, duly executed by each Seller;

(b) counterparts executed by the Company of the Amended and Restated Software Subscription Agreement and counterparts executed by each of Antenen and Murphy of an Employment Agreement in substantially the form of Exhibit B (the “ **Employment Agreements** ”);

(c) the resignations, effective as of the Closing, of all of the directors and officers of the Company, except for such persons as shall have been designated in writing prior to the Closing by Purchaser to the Sellers;

(d) good standing certificates for the Company from the Secretary of State of the State of Illinois and from the Secretary of State (or equivalent) in each other jurisdiction in which the properties owned or leased by the Company, or the operation of its business in such jurisdiction, requires the Company to qualify to do business as a foreign corporation, in each case dated as of a date not earlier than five business days prior to the Closing; and

(e) a U.S. Internal Revenue Service Form W-9 from each of the Sellers in accordance with Proposed Treasury Regulations Section 1.1446(f)-2(b)(2) and Proposed Treasury Regulations Section 1.1445-2(b)(2)(v).

Section 1.4 Closing Deliveries by Purchaser

At the Closing, contemporaneously with the execution and delivery of this Agreement, Purchaser shall deliver or cause to be delivered to the Sellers the following:

(a) the Closing Payment;

(b) counterparts executed by Purchaser of the Amended and Restated Software Subscription Agreement and the Employment Agreements; and

(c) offers of employment with Purchaser to all employees set forth on Section 2.15(a) of the Disclosure Schedule other than Antenen and Murphy, with a twelve month term (subject to further renewal) and for an initial position that is substantially comparable to the total compensation and position held by such employee as of the Closing Date with Seller.

Section 1.5 Taking of Further Action

If at any time after the Closing, any further action is necessary or desirable to carry out the purposes of this Agreement and the Related Agreements and consummate and make effective the transactions contemplated hereby and thereby, including, without limitation, vesting Purchaser with full right, title and possession to all of the Membership Interests, each Seller shall take, or cause to be taken, all appropriate action, do or cause to be done all things necessary, proper or advisable under applicable Legal Requirements, and to execute and deliver such documents and other papers, as may be necessary or desirable to carry out the foregoing.

Section 1.6 Withholding

Purchaser (and any other Person that has any withholding obligation with respect to any payment made pursuant to this Agreement or any other agreements referenced herein) (each a “**Payor**”) shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement to any Seller such amount as such Payor is required to deduct and withhold with respect to such payment under the Code, or any provision of applicable Law. To the extent such amounts are so deducted or withheld and remitted to the proper taxing authority, the amount of such consideration shall be treated for all purposes under this Agreement as having been paid to the Person to whom such consideration would otherwise have been paid.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF EACH SELLER

Subject to such exceptions as are specifically set forth in the disclosure schedule supplied by the Sellers to Purchaser on the date hereof (the “**Disclosure Schedule**”), each Seller, jointly and severally, hereby represents and warrants to Purchaser as of the date hereof as follows:

Section 2.1 Organization and Qualification

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Illinois. The Company has the requisite limited liability company power and authority to own, lease and operate its assets and properties and to carry on its business as currently conducted. The Company is duly qualified or licensed to do business and in good standing in each jurisdiction in which the character or location of its assets or properties (whether owned, leased or licensed) or the nature of its business make such qualification or license necessary to its business as currently conducted. The Company has provided to Purchaser true, correct and complete copies of its articles of organization and operating agreement, each as amended to date and each in full force and effect (collectively, the “**Charter Documents**”). The Company is not in violation of any of the provisions of its Charter Documents. Section 2.1 of the Disclosure Schedule lists every jurisdiction in which the Company has employees or facilities or otherwise conducts its business as of the date hereof. The operations now being conducted by the Company are not now and have never been conducted by the Company under any other name.

Section 2.2 Authority and Enforceability

The Company has all requisite limited liability company power and authority, and each Seller has capacity, to enter into this Agreement and any Related Agreements to which it, he or they, as the case may be, is a party and to consummate the Transactions and the transactions contemplated by the Related Agreements. The execution and delivery of this Agreement and any Related Agreements to which the Company is a party and the consummation of the Transactions and the transactions contemplated by the Related Agreements have been duly authorized by all necessary action on the part of the Company and no further action or proceeding is required on the part of the Company to authorize this Agreement and any Related Agreements to which the Company is a party or to consummate the Transactions and the transactions contemplated by the Related Agreements. This Agreement and each of the Related Agreements to which the Company or the Sellers is a party have been duly executed and delivered by the Company or the Sellers, and assuming the due authorization, execution and delivery by the other parties hereto and thereto,

constitute the valid and binding obligations of the Company and the Sellers, enforceable against it, him or her, as the case may be, in accordance with their respective terms, subject to (x) Legal Requirements of general application relating to bankruptcy, insolvency, the relief of debtors and enforcement of creditors' rights in general, and (y) rules of law governing specific performance, injunctive relief and other equitable remedies (collectively, the “**Enforceability Exceptions**”).

Section 2.3 Governmental Approvals and Consents

No consent, notice, waiver, approval, Order or authorization of, or registration, declaration or filing with any Governmental Entity, is required by, or with respect to the Sellers or the Company in connection with the execution and delivery of this Agreement and any Related Agreement to which the Sellers or the Company is a party or the consummation of the Transactions or the transactions contemplated by the Related Agreements, except for such consents, notices, waivers, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable securities laws.

Section 2.4 No Conflicts

Except as disclosed in Section 2.4 of the Disclosure Schedule, the execution and delivery by the Company and the Sellers of this Agreement and any Related Agreement to which it, he or they, as the case may be, is a party, and the consummation of the Transactions or the transactions contemplated by the Related Agreements, will not conflict with, result in any violation of or default under (with or without notice or lapse of time, or both), result in the creation of a Lien on any property or asset of the Company, or give rise to a right of termination, consent, cancellation, modification or acceleration of any obligation or loss of any benefit under: (a) any provision of the Charter Documents, (b) any Contract to which the Company is a party or by which any of their respective properties or assets (whether tangible or intangible) are bound, or (c) any Legal Requirement or Order applicable to the Company or any of its properties or assets (whether tangible or intangible).

Section 2.5 Company Capital Structure

(a) The Sellers are the legal and beneficial owners of 100% of the total issued and outstanding membership interests in the Company. The Membership Interests are duly authorized, validly issued, fully paid and non-assessable and are not subject to preemptive rights created by statute, the Charter Documents, or any agreement to which the Company or the Sellers is a party or by which it is bound. The Membership Interests owned by each Seller are not subject to any Liens or to any rights of first refusal of any kind, and no Seller has granted any rights to purchase such Membership Interests to any other Person. Each Seller has the sole right to transfer his Membership Interests to Purchaser. The Membership Interests constitute all of the membership interests owned, beneficially or of record, by the Sellers, and each Seller has no options, warrants or other rights to acquire any membership interests. At the Closing, in exchange for the consideration paid pursuant to Section 1.2(b) hereof, Purchaser will receive good title to the Membership Interests, free and clear of all Liens. Neither the Sellers nor any prior registered, direct or beneficial holder of such Membership Interests, if any, has previously granted or agreed to grant any ongoing power of attorney in respect of the Membership Interests or entered into any

voting trust, proxy, vote pooling or other agreement with respect to the right to vote, call meetings of members or give consents or approvals of any kind as to the Membership Interests .

(b) All outstanding Membership Interests have been issued in compliance with all Legal Requirements, and were issued and transferred in accordance with any right of first refusal or similar right or limitation. There are no declared or accrued but unpaid dividends or distributions with respect to any Membership Interests. Other than the Membership Interests owned by the Sellers, the Company has no other capital stock or equity securities issued or outstanding.

(c) The Company has never adopted, sponsored or maintained any plan or agreement providing for equity-related compensation to any person (whether payable in membership interests, cash or otherwise). There are no outstanding loans or Indebtedness involving, on the one hand, the Company, and on the other hand, any of the Sellers. No bonds, debentures, notes or other Indebtedness of the Company (i) having the right to vote on any matters on which members may vote (or which is convertible into, or exchangeable for, securities having such right) or (ii) the value of which is in any way based upon or derived from capital or voting stock of the Company, are issued or outstanding as of the date hereof.

(d) There are no options, warrants, calls, rights, convertible securities, commitments or agreements of any character, written or oral, to which the Company is a party or by which the Company is bound relating to any membership interests in the Company or obligating the Company to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any membership interests (including the Membership Interests), or any other interest, in the Company. As a result of and immediately following the Transactions, Purchaser will be the sole record and beneficial holder of all issued and outstanding membership interests of the Company and all rights to acquire or receive any membership interests of the Company, whether or not such membership interests of the Company are outstanding.

Section 2.6 Subsidiaries

The Company neither directly nor indirectly owns any equity, partnership, membership or similar interest in, or any interest convertible into, exercisable for the purchase of or exchangeable for any such equity, partnership, membership or similar interest, nor is the Company under any current or prospective obligation to form or participate in, provide funds to, make any loan, capital contribution or other investment in or assume any liability of, any Person.

Section 2.7 Financial Statements: Conduct in the Ordinary Course

(a) Section 2.7(a) of the Disclosure Schedule sets forth the Company's unaudited balance sheet as of December 31, 2018 and the related unaudited statements of income and cash flows for the period ended December 31, 2018, together with all related notes and schedules thereto (the “ **Current Financials** ”). The Current Financials (a) were prepared in accordance with the books of account and other financial records of the Company and (b) fairly present, in all material respects, the financial position and results of operations of the Company, in each case as of the date thereof and for the period covered thereby, and have been prepared on a consistent basis throughout the periods indicated.

(b) Section 2.7(b) of the Disclosure Schedule sets forth the Company's unaudited balance sheet as of June 30, 2019 and the related unaudited statements of income and cash flows for the period ended June 30, 2019, together with all related notes and schedules thereto (collectively, the “**Interim Financials**”). The Interim Financials (a) were prepared in accordance with the books of account and other financial records of the Company and (b) fairly present, in all material respects, the financial position and results of operations of the Company, in each case as of the date thereof and for the period covered thereby, and have been prepared on a consistent basis throughout the periods indicated.

(c) Since the date of the Current Financials, the Company has conducted its business in the ordinary course and consistent with past practice. As amplification and not limitation of the foregoing, since the date of the Current Financials, no change, event, violation, inaccuracy, circumstance or effect has occurred or arisen, individually or in the aggregate, that is or is reasonably likely to be materially adverse to the business, assets (including intangible assets), liabilities, capitalization or condition (financial or otherwise) of the Company (a “**Material Adverse Effect**”); and the Company has not suffered any material loss, damage, destruction or other casualty affecting any of its material properties or assets, whether or not covered by insurance.

Section 2.8 No Undisclosed Liabilities; Indebtedness

(a) The Company does not have any liability, Indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with GAAP), except for those which (a) have been reflected in the Current Financials or (b) have arisen in the ordinary course of business consistent with past practices since the date of the Current Financials and prior to the date hereof.

(b) The Company has no outstanding Indebtedness.

Section 2.9 Taxes

(a) The Company has (i) timely filed all income and other material Tax Returns required to be filed by the Company on or before the date hereof (taking into account applicable extensions) and all such Tax Returns were true, correct and complete in all material respects and (ii) timely paid all income and other material Taxes that are due and payable on or before the date hereof (regardless of whether or not such Taxes were shown on any Tax Return as due and owing).

(b) No assessments or reassessments of the Taxes of the Company are currently the subject of an objection or appeal, no audit by any Governmental Entity of the Company is currently ongoing and there are no outstanding issues which have been raised and communicated to the Company by any Governmental Entity. Neither the Sellers nor the Company has received any indication from any Governmental Entity that an audit, assessment or reassessment of the Company is proposed in respect of any Taxes, regardless of its merits. The Company has not executed or filed with any Governmental Entity any agreement or waiver extending the period for assessment, reassessment or collection of any Taxes which is currently outstanding, and no such agreement or waiver has been requested by a Governmental Entity.

(c) The Company is not a party to any agreement providing for the allocation or sharing of Taxes (other than an agreement entered into in the ordinary course of business the principal subject matter of which is not Taxes) and (ii) has no contractual obligation for the Taxes of another Person (A) by reason of being a member of a consolidated, combined, unitary or other similar group (including pursuant to Treasury Regulations Section 1.1502-6 or any similar provision of state, local or foreign Tax Law), (B) as a transferee or successor, (C) by operation of Law or (D) or otherwise .

(d) There are no Liens for Taxes upon the Company's business or assets except Liens for current Taxes not yet due and payable (and for which there are adequate accruals in accordance with GAAP).

(e) Within the last six (6) years, none of the Sellers or the Company has received written notice from a Governmental Entity in a jurisdiction where the Company or such Seller does not file Tax Returns or pay Taxes claiming that (i) the Company is required to file Tax Returns in or pay Tax in that jurisdiction or (ii) the applicable Seller is required to file Tax Returns in or pay Tax in that jurisdiction solely as a result of owning equity interests in the Company.

(f) All Taxes that the Company is or was required by Legal Requirements to withhold or collect have been duly and timely withheld or collected in all material respects on behalf of the Company or its respective employees, officers, directors, independent contractors, and other third parties, and have been timely paid to the proper Governmental Entity or other Person or properly set aside in accounts for this purpose.

(g) The Company has not made an election to cause the Partnership Audit Rules to apply to any taxable period ending prior to January 1, 2018, including an election under Section 1101(g)(4) of the Bipartisan Budget Act of 2015, P.L. 114-74, Treasury Regulations Section 301.9100-22T (or any similar provision of state or local Tax Law).

(h) The Company has been, since its formation, properly treated as a "partnership" for federal income tax purposes and no election has been made pursuant to Treasury Regulation Section 301.7701-3(c) to treat the Company as an association taxable as a corporation.

(i) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Post-Closing Period as a result of any (i) change in method of accounting for a Pre-Closing Period, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition made on or prior to the Closing Date, (iv) prepaid amount received prior to the Closing, or (v) election under Section 108(i) of the Code.

(j) The Company has not participated in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4.

Section 2.10 Real Property

(a) . The Company does not own (and has never owned) any real property. The Company does not lease, sublease, license or otherwise use or occupy (and has never leased, subleased, licensed or otherwise used or occupied) any real property.

Section 2.11 Tangible Property

(a) . Other than as set forth on Section 2.11 of the Disclosure Schedule, the Company has no tangible properties or assets, real, personal or mixed, used or held for use in the Business. The Company has good and valid title to or interest in all of such properties or assets set forth on Section 2.11 of the Disclosure Schedule, free and clear of any Liens. Equipment owned or leased by the Company and set forth on Section 2.11 of the Disclosure Schedule is adequate for the conduct of the Business as currently conducted and in good operating condition, subject to normal wear and tear. The Company has good and valid title to or interest in all assets necessary to operate the Business in the manner currently conducted and as contemplated to be conducted.

Section 2.12 Intellectual Property

(a) Section 2.12(a) of the Disclosure Schedule sets forth a true and complete list of all Owned Intellectual Property that is registered with or subject to an application for registration with any Governmental Entity, social media platform or Internet domain name registrar (collectively, the “ **Registered Intellectual Property** ”), indicating for each such item, as applicable, the application or registration number, date and jurisdiction of filing or issuance, and the identity of the current applicant or registered owner. Each item of Registered Intellectual Property is (i) subsisting, valid and enforceable, (ii) currently in compliance with any and all formal legal requirements necessary to maintain the validity and enforceability thereof and record and perfect the Company’s interest therein, and (iii) not subject to any outstanding order, judgment, injunction, decree, ruling or agreement adversely affecting the Company’s use thereof or rights thereto, or that would impair the validity or enforceability thereof.

(b) The Company exclusively owns all right, title and interest in and to the Owned Intellectual Property, free and clear of all Liens, and has valid license to use all Licensed Intellectual Property in connection with the operation of the Business, subject only to the terms of the Company IP Agreements. The Company Intellectual Property is sufficient to operate the Business in the manner currently conducted and as contemplated to be conducted.

(c) The conduct of the Business does not infringe, misappropriate or otherwise violate, and has not infringed, misappropriated or otherwise violated, the Intellectual Property of any other Person. To each of the Seller’s Knowledge, no Person is infringing, misappropriating or otherwise violating, and has not infringed, misappropriated or otherwise violated, the Company Intellectual Property.

(d) There are no Actions that are pending or, to each of the Seller’s Knowledge, threatened (i) against the Company alleging that the Company or the conduct of the Business infringes, misappropriates or otherwise violates the Intellectual Property of any other Person, or (ii) concerning the ownership, validity, registrability or enforceability of any Owned Intellectual Property. The Company has not received any notification that a license under any other Person’s Intellectual Property is required to operate the Business, which license has not already been obtained by the Company and is currently valid. There are no Actions that are pending or threatened by the Company alleging that any Person infringes, misappropriates or otherwise violates any Owned Intellectual Property.

(e) No Seller, employee, contractor or agent of the Company is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of invention agreement or similar agreement relating to the protection, ownership, development, use or transfer of the Company Intellectual Property. To the extent that any Intellectual Property has been conceived, developed or created for or on behalf of the Company by any other Person, including any Seller, employee, contractor, officer or consultant, the Company has executed valid and enforceable written agreements with such Person with respect thereto irrevocably assigning to the Company such Person's entire right, title and interest therein and thereto by operation of law or by valid written assignment. Neither a Seller nor any employee, officer, consultant or contractor of the Company will, as a result of the transactions contemplated herein, own or retain any rights to use any Intellectual Property that is owned, used or held for use by the Company or the Company Software or that was owned, used, developed for use or held for use with the intent of being used by the business that became the Company prior to its formalization.

(f) The Company has taken commercially reasonable measures to maintain the confidentiality and value of all confidential Owned Intellectual Property, including source code for the Company Software, and to maintain the confidentiality and value of the Licensed Intellectual Property for which the company is under an obligation of confidentiality. To each of the Seller's Knowledge, no confidential information, trade secrets or other confidential Intellectual Property of the Company has been disclosed to any Person except pursuant to appropriate non-disclosure or license agreements that (i) obligate such Person to keep such confidential information, trade secrets or other confidential Intellectual Property confidential both during and after the term of such agreement, and (ii) are valid, subsisting, in full force and effect and binding on the parties thereto and with respect to which no party thereto is in material default thereunder and no condition exists that with notice or the lapse of time or both could constitute a material default thereunder.

(g) No Public Software used by or in connection with the Business, including in connection with the development or use of any Company Software, is subject to any contractual obligation that would require that any Company Software be (i) be disclosed or distributed in source code form, made available at no charge or otherwise licensed to third parties; (ii) be subject to any restriction on the consideration to be charged for the distribution thereof; or (iii) be decompiled, disassembled or otherwise reverse-engineered (except as required by Law). The Company is in compliance with all applicable licenses with respect to any such Public Software.

(h) All Company Software is correct, accurate, complete and sufficiently documented in all material respects to enable a Software developer of reasonable skill to understand, modify, debug, enhance, compile, support and otherwise utilize all aspects of such Software, without reference to other sources of information not publicly available, in each case, with respect to Company Software not owned by the Company, to the extent the Company is permitted by the rights granted to the Company in connection with such Company Software to perform such action. No source code of Company Software that is owned by the Company has been delivered (other than to contractors engaged by the Company to develop such Company Software under agreements that prohibit use or disclosure thereof except in the performances of services to the Company) or licensed to any other Person, or is subject to any source code escrow or obligations of assignment to any other Person.

(i) The Company IT Assets are adequate for the operation of the businesses of the Company and operate and perform in accordance with their documentation and functional specifications. The Company has taken commercially reasonable backup and disaster recovery measures and technology consistent with industry practices, as well as measures to protect against unauthorized access to or use of the Company IT Assets and no such unauthorized access or use has occurred. The Company IT Assets have not materially malfunctioned or failed within the past five (5) years and are (i) free from any viruses, malware, Trojan horses, worms or other contaminants that are designed to enable unauthorized access thereto or to adversely affect the functionality thereof and (ii) currently operate free of defects or malfunctions that would reasonably be expected to cause a material disruption to the Company's business.

Section 2.13 Material Contracts

(a) Section 2.13(a) of the Disclosure Schedule identifies any Contract (x) to which the Company is a party, (y) by which the Company or any of its assets is or may become bound or under which the Company has, or may become subject to, any obligation, or (z) under which the Company has or may acquire any right or interest (each, a "**Material Contract**"):

(i) that require or that the Company reasonably anticipates will involve the payment by or to the Company of more than \$5,000 annually or on a one-time basis;

(ii) concerning a partnership, joint venture, profit sharing arrangement, or that is a shareholders' agreement;

(iii) by which the Company (A) grants any license of, covenants not to sue related to, or other right under any Intellectual Property (other than non-exclusive licenses granted to customers in the ordinary course of the Business) or (B) receives any license of, covenants not to sue related to, or other right under any Intellectual Property (other than Contracts for generally commercially available off-the-shelf Software having a license fee of less than \$5,000 annually);

(iv) under which the Company has incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligations, or under which a Person has imposed a Lien on any asset of the Company, tangible or intangible;

(v) under which the Company has advanced or loaned, or agreed to advance or loan, any other Person amounts in the aggregate exceeding \$5,000, except for advances entered into with customers and suppliers of the Company in the ordinary course of business for payment and other terms;

(vi) that contains any provision or covenant materially limiting (or which would limit following the Closing) the ability of the Company to engage in any business activity, compete in any geographic area or with any Person, solicit customers, clients or employees of any Person, make sales to any Person in any manner, or that grants the other party or any third Person "most favored nation" or similar status, any type of material special discount rights, or any material right of first refusal, first notice or first negotiation;

(vii) (A) for the employment of any individual on a full-time or part-time basis, (B) for the employment of any individual on a consulting or other basis or (C) providing severance benefits;

(viii) that transfer to the Company any Intellectual Property conceived, developed or created by any other Person for or on behalf of the Company or in respect of the Business or the Company Software; or

(ix) any other Contract, whether or not made in the ordinary course of business, which is material to the Business or the conduct of the Business.

(b) The Sellers have provided to Purchaser true, correct and complete copies of all written Material Contracts, including all amendments and modifications thereto. Section 2.13(b) of the Disclosure Schedule provides an accurate description of the terms of each Material Contract that is not in written form. Each Material Contract is valid and in full force and effect and is enforceable by the Company against the other parties thereto in accordance with its terms, subject to the Enforceability Exceptions. The Company has not violated or breached, or committed any default under, any Material Contract, and no other Person has violated or breached, or committed any default under, any such Material Contract. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to: (i) result in a violation or breach of any of the provisions of any Material Contract; (ii) give any Person the right to declare a default or exercise any remedy under any Material Contract; (iii) give any Person the right to accelerate the maturity or performance of any Material Contract; or (iv) give any Person the right to cancel, terminate or modify any Material Contract. The Company has not received any notice or other communication regarding any actual or possible violation or breach of, or default under, any Material Contract.

Section 2.14 Employee Benefit Plans

The Company has never sponsored, entered into or maintained any Benefit Plan. Neither the execution of this Agreement nor the consummation of the Transactions will result in (i) any payment (including severance, unemployment, compensation, golden parachute or otherwise) becoming due to any Seller, director, officer or employee of the Company, for which the Company would have any liability, or (ii) the acceleration of the time of payment or vesting of any such payments or benefits.

Section 2.15 Employment Matters

(a) Section 2.15(a) of the Disclosure Schedule sets forth an accurate and complete list, as of the date hereof, of all Persons who are employees, consultants or independent contractors of the Company, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. As of the date hereof, all compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent

contractors or consultants of the Company for services performed on or prior to the date hereof have been paid in full (or accrued in full on the balance sheet at Closing) and there are no outstanding agreements, understandings or commitments of the Company with respect to any compensation, commissions, bonuses or fees .

(b) There are no Actions pending or threatened against the Company by, on behalf of or with respect to any Seller, employee, consultant or contractor of the Company (each a “ **Worker** ”) or group of Workers. There are no charges, investigations, administrative proceedings or formal complaints of discrimination (including discrimination based upon sex, age, marital status, race, national origin, sexual orientation, disability or veteran status) threatened or pending before any Governmental Entity against the Company by, on behalf of or with respect to any Worker.

(c) The Company is not, and has never been, a party to, bound by, or negotiating any collective bargaining agreement or other contract with a union, works council or labor organization (collectively, “ **Union** ”), and there is not, and has never been, any Union representing or purporting to represent any employee of the Company, and no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting the Company or any of its employees. The Company has no duty to bargain with any Union.

(d) The Company is in compliance in all material respects with all Legal Requirements related to the terms and conditions of employment or retention of its Workers, including wages and other compensation, overtime requirements, classification of employees and independent contractors, hours of work, leaves of absence, equal opportunity, immigration, occupational health and safety and workers’ compensation.

Section 2.16 Litigation

There is not currently, and has not been at any time, any Action of any nature pending, or to the Knowledge of any of the Sellers, threatened, against the Company, its properties and assets (tangible or intangible) or any of its officers or directors (in their capacities as such). There is not currently, and has not been at any time, any Action of any nature pending, or to the Knowledge of any of the Sellers, threatened, against any of the Sellers, arising out of or relating to (i) the Business or the Seller’s beneficial ownership of Membership Interests or rights to acquire Membership Interests, (ii) the Seller’s capacity as a member of the Company, (iii) the Transactions, or (iv) any other agreement between any of the Sellers (or any of their Affiliates) and the Company (or any of its Affiliates). No Governmental Entity has at any time challenged or questioned the legal right of the Company to conduct its operations as presently or previously conducted. Neither the Company nor any property or asset of the Company is subject to a continuing order of, consent decree, settlement agreement or other similar agreement with, or, to the Knowledge of any of the Sellers, continuing investigation by, any Governmental Entity or any Order of any Governmental Entity. The Sellers do not have any claim against the Company, whether present or future, contingent or unconditional, fixed or variable, under any contract or on any other basis whatsoever,

whether in equity or at law. There are no Actions by the Company pending, or which the Company has commenced preparations to initiate, against any other Person.

Section 2.17 Compliance with Legal Requirements

Except as is not material in any case or in the aggregate, the Company has complied with, and is not in violation of, any Legal Requirement. The Company has not received any notices of suspected, potential or actual violation with respect to any Legal Requirement. To the Knowledge of any of the Sellers, no investigation or review by any Governmental Entity regarding a violation of any applicable Legal Requirement is pending or threatened.

Section 2.18 Interested Party Transactions

Except as set forth in Section 2.18 of the Disclosure Schedule, no Seller, officer, director or employee of the Company (or any immediate family member of any of such Persons, or any trust, partnership or corporation in which any of such Persons has or has had an interest or is otherwise Affiliated with) (each, an “**Interested Party**”), has, directly or indirectly, (i) any interest in any Person which furnished or sold, or furnishes or sells, services, products, technology or Intellectual Property that the Company furnishes or sells, or (ii) any interest in any Person that purchases from or sells or furnishes to the Company, any goods or services, or (iii) any interest in, or is a party to, any Contract to which the Company is a party; *provided, however*, that ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation shall not be deemed to be an “interest in any Person” for purposes of this Section 2.18. All transactions pursuant to which any Interested Party has purchased any services, products, technology or Intellectual Property from, or sold or furnished any services, products, technology or Intellectual Property to, the Company have been on an arms-length basis on terms no less favorable to the Company than would be available from an unaffiliated party.

Section 2.19 Third Party Expenses

Neither the Company nor the Sellers has incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders’ fees or agents’ commissions, fees related to investment banking or similar advisory services or any similar charges in connection with the Agreement or any Transaction, nor will Purchaser or the Company incur, directly or indirectly, any such liability based on arrangements made by or on behalf of the Company or a Seller. Section 2.19 of the Disclosure Schedule sets forth all paid and unpaid Third Party Expenses incurred by or on behalf of the Company as of the Closing Date.

Section 2.20 Permits

The Company holds all Permits material to the operation of the Business and for the Company to lawfully own, lease and operate its assets. The Company is and has at all times been in compliance in all material respects with such Permits. No material suspension, cancellation, modification, revocation or nonrenewal of any such Permit is pending or, to the Knowledge of any of the Sellers, threatened, and the consummation of the Transactions, in and of itself, will not result in any such suspension, cancellation, modification, revocation or nonrenewal.

Section 2.21 Privacy and Data Security

(a) The Company is in material compliance with and has at all times materially complied with all Privacy Laws and the Company's internal privacy policies .

(b) With respect to all Personal Information and user data gathered or accessed in the course of the operation of the Business, the Company has at all times taken all reasonable measures to ensure that such data is protected against loss and unauthorized access, use, modification, disclosure or other misuse, including by implementing, maintaining and executing, as necessary, a security plan that is designed to (i) identify, mitigate and resolve internal and external risks to the security of any proprietary or confidential information in its possession, including Personal Information, (ii) implement and monitor adequate and effective administrative, technical and physical safeguards to control those risks and (iii) maintain notification procedures in compliance with applicable Laws in the case of any breach of security compromising unencrypted data containing Personal Information. Except as set forth on Section 2.21(b) of the Disclosure Schedule, no Person has gained unauthorized access to or engaged in unauthorized Processing of Personal Information in the custody or control of the Company or any databases, computers, servers, storage media (e.g. , backup tapes), network devices, or other devices or systems of the Company or the Business that Processes Personal Information.

(c) The Company has in place reasonable security measures, controls, technologies, polices and safeguards designed to protect Personal Information. The Company has all necessary authority, consents and authorizations to Process the Personal Information in its possession or under their control in connection with the operation of its business. To the Knowledge of any of the Sellers, none of the Personal Information in the possession, custody or control of the Company, or otherwise used or disclosed by the Company, has been provided to the Company by a third party in violation of applicable Law, including Privacy Laws or in a manner inconsistent with such third party's own privacy policies. The Company has taken all commercially reasonable steps necessary to confirm that each third party that provides it with Personal Information has and will provide such Personal Information in accordance with applicable Laws (including Privacy Laws), contracts or other terms to which the Company bound and that those third parties have all necessary authority, consents and other rights to provide such Personal Information to the Company. Without limiting the generality of the foregoing, the Company has conducted diligence on all third parties that provide Personal Information to the Company regarding such third parties' data collection methods and data sharing practices as necessary to ensure such collection and sharing complies with all applicable Laws (including Privacy Laws), contracts or other terms to which the Company is bound.

(d) There is no, and never has been, any Action pending or, to the any of the Seller's Knowledge, threatened against the Company with respect to the Company's privacy or data protection practices, including alleging a violation of any Person's data privacy, data protection or data security rights, nor has there been any court order affecting the Company's use, disclosure or other Processing of any Personal Information. To the Knowledge of any of the Sellers, there are no facts or circumstances that constitute a reasonable basis for such proceeding relating to privacy or data protection. The Company has not received any communications from, or to the Knowledge of any of the Sellers, has been the subject of any investigation by, the Federal Trade Commission, a data protection authority or any other Governmental Entity regarding its Processing of any Personal Information.

(e) The conduct and operation of the Business currently materially complies, and at all times has materially complied, with all applicable laws relating to the transmission of unsolicited commercial emails, phone calls, faxes and mail and marketing campaigns. No solicitation, statement, disclosure, or marketing, promotional or advertising material included in any email marketing campaigns or mail marketing campaigns initiated by the Company have been materially inaccurate, misleading, or deceptive, or in violation of any Privacy Law. The execution, delivery, performance and consummation of the Transactions (including the Processing of Personally Identifiable Information in connection therewith complies with all Privacy Laws and the Company's applicable privacy notices and policies.

Section 2.22 Compliance with Certain Legal Requirements

In furtherance and not in limitation of the representations and warranties contained in Section 2.17:

(a) Neither the Company or any of the Sellers nor, any director, officer, agent, employee or affiliate thereof, has directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under any applicable Anti-Corruption Laws (as defined below) of any relevant jurisdiction applicable to the Company, the Sellers and their respective operations.

(b) Neither the Company, the Sellers nor any director, officer, agent, employee or affiliate thereof or anyone acting on behalf of the Company, has taken any action, directly or indirectly, that would result in a violation of: the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"); the UK Bribery Act 2010 or its predecessor laws ("Bribery Act"); or any analogous anticorruption laws, statutes, rules or ordinances applicable to the Company or any of the Sellers, as applicable (collectively, "Anti-Corruption Laws").

Section 2.23 Working Capital

As of the Effective Date, the Company's Working Capital shall be greater than zero dollars (\$0).

Section 2.24 Full Disclosure

No representation or warranty by the Company or any of the Sellers in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Sellers as of the date hereof as follows:

Section 3.1 Organization

Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

Section 3.2 Authority and Enforceability

Purchaser has all requisite power and authority to enter into this Agreement and any Related Agreements to which it is a party and to consummate the Transactions and the transactions contemplated by the Related Agreements. The execution and delivery by Purchaser of this Agreement and any Related Agreements to which it is a party and the consummation of the Transactions and the transactions contemplated by the Related Agreements have been duly authorized by all necessary action on the part of Purchaser. This Agreement and any Related Agreements to which Purchaser is a party have been duly executed and delivered by Purchaser and constitute the valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, subject to the Enforceability Exceptions.

Section 3.3 Governmental Approvals and Consents

No consent, waiver, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Purchaser in connection with the execution and delivery of this Agreement and any Related Agreements to which Purchaser is a party or the consummation of the Transactions and the transactions contemplated by the Related Agreements, except for such consents, waivers, approvals, orders, authorizations, registrations, declarations and filings which, if not obtained or made, would not materially impair Purchaser's ability to consummate the Transactions or the transactions contemplated by the Related Agreements.

ARTICLE IV ADDITIONAL AGREEMENTS

Section 4.1 Public Disclosure

Neither the Company, the Sellers nor any of their respective representatives shall issue any statement or communication to any third party (other than its agents that are bound by confidentiality restrictions) regarding the subject matter of this Agreement or the Transactions without the consent of Purchaser.

Section 4.2 Confidentiality

From and after the Closing, the Sellers and their representatives shall keep confidential all proprietary or non-public information regarding Purchaser or its Affiliates (including, from and after the Closing, the Company) unless such information is required to be disclosed by Legal Requirements; provided, that each Seller shall promptly, to the extent legally permissible, notify Purchaser of such intended disclosure required by Legal Requirements so that it may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 4.2. In the event that such protective order or other remedy is not obtained, or that the obligation to seek such a protective order is waived, such Seller may furnish

only such information which is legally required and shall exercise its reasonable best efforts to obtain reliable assurance that confidential treatment shall be accorded such information.

Section 4.3 Transaction and Third Party Expenses

Whether or not the Transactions are consummated, each party shall be responsible for its own expenses and costs that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement (the “ **Transaction Expenses** ”). Without limiting or expanding the foregoing, the Sellers shall be responsible for all Transaction Expenses incurred by or on behalf of the Company in connection with this Agreement and the Transactions, including all legal, accounting, financial advisory, consulting, finders and all other fees and expenses of third parties incurred by the Company in connection with the negotiation and consummation of this Agreement and the Transactions (collectively, the “ **Third Party Expenses** ”). The Company and the Sellers shall take all necessary action to ensure that Third Party Expenses shall not be incurred by the Company after the Closing Date without the express prior written consent of Purchaser.

Section 4.4 Release

(a) As an inducement to Purchaser to enter into this Agreement and consummate the Transactions and for other good and sufficient consideration, each Seller, with the intention of binding himself, herself or itself and each of the Sellers’ respective Affiliates, directors, officers, employees, shareholders, agents or other representatives, heirs, executors, administrators, successors and assigns (the “ **Releasors** ”), shall hereby as of the Closing release, acquit and forever discharge Purchaser and the Company, and each of their respective past, present and future Affiliates, directors, officers, employees, shareholders, agents or other representatives, heirs, executors, administrators, successors and assigns, and all Persons acting by, through, under, or in concert with such Persons (the “ **Releasees** ”), of and from any and all manner of action or actions, cause or causes of action, suits, arbitrations, demands, debts, contracts, agreements, promises, liability, damages, or Loss of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, direct, derivative, vicarious or otherwise, whether based in contract, tort, or other legal, statutory, or equitable theory of recovery, each as though fully set forth at length herein (hereinafter, a “ **Claim** ”), which the Releasors now have or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, act, omission or thing whatsoever in any way arising out of, based upon or relating to a Seller’s ownership of Membership Interests or other equity interest in the Company (the “ **Released Matters** ”); *provided, however*, that nothing set forth in this Section 4.4 shall (i) affect the ability of a Seller to bring a Claim under this Agreement, (ii) if any Releasor is an officer or employee of the Company, release, acquit or discharge any rights to any entitlement, salary, bonus or employment benefits earned or accrued by or for the benefit of such Releasor prior to the Closing in respect of services performed by such Releasor as an officer or employee of the Company, or (iii) affect the ability of a Seller to bring a Claim with respect to any ordinary course employment rights or any Contracts with Purchaser or the Company that remain in effect after the Closing. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to release Purchaser from any of its obligations to the Sellers under this Agreement or any offer letter or other ancillary agreements executed in connection with the Transactions.

(b) Each Seller represents and warrants to the Purchaser that there has been no assignment or other transfer of any interest in any Claim arising out of, based upon or relating to any of the Released Matters which such Seller may have against any of the Releasees, and each Seller agrees to indemnify and hold the Releasees harmless from any liability, Claims or reasonable attorneys' fees or expenses incurred as a result of any Person asserting any such assignment or transfer of any rights or Claims under any such assignment or transfer from such party. Each Seller agrees that if such Seller hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon or relating to any of the Claims released hereunder, or in any manner asserts against the Releasees any of the Claims released hereunder, then such Seller will pay to the Releasees against whom such claim(s) is asserted all damages incurred by such Releasees in defending or otherwise responding to said Claim.

Section 4.5 Use of Intellectual Property

Each Seller acknowledges that from and after the Closing, the name "Realtime Digital Innovations" and all similar or related names, marks and logos (all of such names, marks and logos being the "**Company Marks**") shall be indirectly owned by the Purchaser (through the Company), that no Seller shall have any rights in the Company Marks and that no Seller will contest the ownership or validity of any rights of the Purchaser in or to the Company Marks. From and after the Closing, no Seller shall use any of the Company Intellectual Property except in fulfilling his or its obligations to the Business pursuant to the Employment Agreements.

Section 4.6 Working Capital

In the event that the Company's Working Capital as of the Effective Date is less than zero dollars (\$0), the Buyer shall be entitled to indemnification in an amount equal to the absolute value of the Company's Working Capital as of the Effective Date, to be paid in accordance with the provisions of Article VI hereto.

ARTICLE V TAX MATTERS

Section 5.1 Tax Indemnification

The Sellers shall jointly and severally indemnify and hold harmless the Purchaser Indemnified Parties from and against any and all Losses arising out of or resulting from: (i) any Taxes imposed on or assessed against the Company with respect to a Pre-Closing Period (determined, in the case of a Straddle Period, in accordance with Section 5.6); (ii) any Taxes of another Person that are the responsibility of the Company (A) as a result of having been a member of an affiliated, consolidated, combined or unitary Tax group on or prior to the Closing Date, (B) by operation of Law, (C) as a transferee or successor or (D) by contract entered into prior to the Closing; (iii) any Taxes imposed on or assessed against the Company by reason of any breach of any of the representations and warranties contained in Section 2.9; (iv) any Taxes that are imposed on Purchaser or any of its Affiliates as a result of the failure to withhold the correct amount of Taxes from any amount payable to Sellers pursuant to this agreement; and (v) any Transfer Taxes that are the responsibility of the Sellers pursuant to Section 5.7.

Section 5.2 Tax Returns

(a) After the Closing, Sellers shall prepare , or cause to be prepared , at their sole cost and expense, all Tax Returns of the Company for all Pre-Closing Periods (other than Straddle Periods), in each case, the due date of which (taking into account extensions of time to file) is after the Closing Date, but only if not filed prior to the Closing Date (the " **Seller Returns** "). Sellers shall submit each such Seller Return (other than a Pass-Through Income Tax Return of the Company) to Purchaser at least twenty (20) days prior to the due date of such Seller Return (taking into account any extensions of time to file) for Purchaser 's approval, which approval shall not be unreasonably withheld, conditioned or delayed .

(b) Purchaser shall prepare, or cause to be prepared, all Tax Returns of the Company for all Straddle Periods, in each case, the due date of which (taking into account extensions of time to file) is after the Closing Date (the " **Purchaser Returns** "). Purchaser shall submit each such Purchaser Return (together with a statement certifying the amount of Tax shown on such Tax Return that are the responsibility of the Sellers pursuant to Section 5.1) to Sellers at least twenty (20) days prior to the due date of such Purchaser Return (taking into account any extensions of time to file) for Sellers' approval, which approval shall not be unreasonably withheld, conditioned or delayed. Sellers shall pay to Purchaser the amount of Taxes shown as due on such Tax Return that are the responsibility of Sellers pursuant to Section 5.1 no fewer than five (5) business days prior to the due date of any such Straddle Period Tax Return.

(c) All Tax Returns prepared under Section 5.2(a) and Section 5.2(b) shall be prepared and filed in a manner consistent with the past procedures and practices and accounting methods of the Company and this Article V, in each case, unless a different treatment is otherwise required by applicable Law. To the extent permitted by Tax Law, the parties will elect out of the Partnership Audit Rules under Section 6221(b) of the Code (or any other corresponding or similar provision of state or local Law).

(d) If Sellers and Purchaser are unable to resolve any disagreements with respect to a Tax Return that is prepared pursuant to Section 5.2(a) or Section 5.2(b), including any disputes as to (i) whether Sellers or Purchaser is unreasonably withholding, conditioning or delaying its approval with respect to a Tax Return, or (ii) whether a Tax Return is prepared in a manner consistent with the past procedures and practices and accounting methods, in each case, within five (5) days of the due date of the applicable Tax Return, any such dispute shall be resolved by the Accounting Firm, whose determination shall be final and binding upon the Sellers and Purchaser and not subject to review by a court or other tribunal absent manifest error. The fees, costs and expenses of the Accounting Firm in resolving any such dispute shall be borne equally by Purchaser, on the one hand, and Sellers, on the other hand. If any such dispute is not resolved prior to the due date of the applicable Tax Return (taking into account any applicable extensions), such Tax Return shall be filed in the manner the Person preparing the applicable Tax Return deems correct without prejudice to the resolution of such dispute; provided, that an amended Tax Return shall be filed (and additional Taxes paid) if necessary to give effect to the decision of the Accounting Firm.

Section 5.3 Tax Contests.

(a) After the Closing, Purchaser or Sellers, as applicable, shall promptly notify the other in writing of the proposed assessment or the commencement of any Tax audit or administrative or judicial proceeding or of any demand or claim which, if determined adversely to the taxpayer or after the lapse of time, could be grounds for indemnification under Section 5.1 or which relates to a Pass-Through Income Tax Return. Such notice shall contain factual information (to the extent known to the party giving notice) describing the claim in reasonable detail and shall include copies of any notice or other document received from any taxing authority in respect of any such claim; provided, that the failure to so notify the other Person of the claim shall not relieve the party from whom indemnification is being sought of its obligations hereunder, except to the extent that the party from whom indemnification is being sought is prejudiced by such failure.

(b) In the case of a Tax audit or administrative or judicial proceeding (a “ **Contest** ”) that relates to the Taxes of the Company for any Pre-Closing Period (other than a Straddle Period), Sellers shall have the sole right, at Sellers’ expense, to control the conduct of such Contest; provided, that (i) if such Contest relates to a Pass-Through Income Tax Return, then (A) Sellers shall provide Purchaser with a timely and reasonably detailed account of each phase of such Contest and (B) Sellers shall cause the Company (and its partnership representative) to timely elect the application of Section 6226 of the Code (or any other corresponding or similar provision of state or local Law) with respect to any such imputed underpayment (if the Company fails to, or is ineligible make the election described in Section 6221(b) of the Code (or any other corresponding or similar provision of state or local Law)) and (ii) if such Contest relates to a Tax Return other than a Pass-Through Income Tax Return, then (A) Sellers shall acknowledge in writing their indemnification obligations with respect to the full amount of any liability that may arise as a result of the Contest before Sellers may control such Contest within ten (10) days of receipt of the notice described in Section 5.3(a), (B) Sellers shall elect to control such Contest within the time period set forth in Section 5.3(d), (C) Sellers shall defend diligently the interests of the Company in such Contest, (D) Sellers shall provide Purchaser with a timely and reasonably detailed account of each phase of such Contest and (E) if such Contest could reasonably be expected to increase the Taxes of Purchaser or any of its Affiliates (including the Company) in a Post-Closing Period, then (1) Purchaser shall be entitled to participate (at its own expense) in such Contest, (2) Sellers shall consult with Purchaser and offer Purchaser an opportunity to comment before submitting any written materials prepared or furnished in connection with such Contest, and (3) Sellers shall not settle such Contest without Purchaser’s prior written consent (which shall not be unreasonably withheld, delayed or conditioned).

(c) Purchaser shall have the right to control any Contest in respect of Taxes of the Company for any Straddle Period; provided, that (i) Purchaser shall provide Sellers with a timely and reasonably detailed account of each phase of such Contest, (ii) Purchaser shall consult with Sellers before taking any significant action in connection with such Contest, (iii) Purchaser shall consult with Sellers and offer an opportunity to comment before submitting any written materials prepared or furnished in connection with such Contest, (iv) Sellers shall be entitled to participate (at the Sellers’ own expense) in such Contest, and (v) Purchaser shall not settle such Contest without Sellers’ prior written consent (which shall not be unreasonably withheld, delayed or conditioned).

(d) If Sellers elect to direct a Contest, Sellers shall, within ten (10) days of receipt of the notice described in Section 5.3(a), notify Purchaser of its intent to do so, and Purchaser shall cooperate and shall cause the Company to fully cooperate, at Sellers' expense, in each phase of such Contest.

(e) Notwithstanding anything in this Agreement to the contrary, Purchaser shall have the exclusive right to control (i) any Contest in respect of the Company not described in Section 5.3(b) or Section 5.3(c) and (ii) any Contest described in Section 5.3(b) (other than a Contest relating to a Pass-Through Income Tax Return) if (1) Purchaser notifies Sellers in writing that Purchaser is waiving its right to indemnification pursuant to Section 5.1 with respect to Taxes imposed as a result of the resolution of such Contest, (2) Sellers fail to acknowledge in writing their indemnification obligations with respect to the full amount of any liability that may arise as a result of the Contest within ten (10) days of receipt of the notice described in Section 5.3(a), (3) Sellers fails to elect to, or elects not to, defend any such Contest within the time period set forth in Section 5.3(d) or (4) Sellers fail to diligently defend such Contest.

(f) Notwithstanding anything to the contrary in this Agreement, this Section 5.3 shall control with respect to any Contest.

Section 5.4 Refunds; Amendments.

(a) The Sellers shall be entitled to any Tax refunds (including any interest received from a Governmental Entity in respect thereof) that are received by Purchaser or the Company and any amounts credited against Tax in lieu of a refund to which Purchaser or the Company become entitled that relate to the Company for all Pre-Closing Periods, and Purchaser shall, or shall cause the Company to, pay the amount of any such refund or credit (net of any out-of-pocket fees and expenses (including Taxes) incurred by Purchaser or any of its Affiliates in obtaining such refund) within fifteen (15) days after receipt of such refund or to the filing of the applicable Tax Return where any such credit was utilized by Purchaser or the Company.

(b) Purchaser shall use its commercially reasonable efforts to cooperate, and cause the Company to use its commercially reasonable efforts to cooperate, in obtaining any refund that the Sellers reasonably believes should be available, including through filing appropriate amended Tax Returns with the applicable Governmental Entities; provided that any amended Tax Returns shall not be filed without Purchaser's prior written consent (which shall not be unreasonably withheld, delayed or conditioned) and all positions on such filings be supportable at a "more likely than not" (or higher) level of comfort. Any reasonable out-of-pocket expenses incurred by Purchaser or the Company in connection with such activities shall be reimbursed by the Sellers within fifteen (15) days of written notice by Purchaser or the Company of such expense.

(c) Purchaser shall not file or cause to be filed, any amended Tax Return for the Company for any Tax period beginning prior to the Closing Date without the consent of the Sellers, which shall not be unreasonably withheld, conditioned or delayed.

Section 5.5 Tax Cooperation

. The Sellers and Purchaser shall cooperate fully, as and to the extent reasonably requested by any other party, in connection with the preparation and filing of Tax Returns pursuant to Section 5.2 and any audit, litigation or other proceeding with respect to Taxes and the computation and verification of any amounts paid or payable under Section 5.2 (including any supporting work papers, schedules and documents). Such cooperation shall include the retention and (upon the other party's request) the provision, as promptly as practicable, of records and information (including access to books and records) which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Company shall retain all books and records with respect to Tax matters pertinent to the Company relating to any Tax periods and shall abide by all record retention agreements entered into with any taxing authority, and shall give the Sellers and Purchaser reasonable written notice prior to transferring, destroying or discarding any such books and records prior to the expiration of the applicable statute of limitations for that tax period, and if Purchaser so requests, the Company shall allow Purchaser to take possession of such books and records rather than destroying or discarding such books and records. Any information obtained under this Section 5.5 shall be kept confidential except (i) as may be necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding, or (ii) with the consent of the Sellers or Purchaser, as the case may be.

Section 5.6 Computation of Liabilities

. For purposes of this Agreement, in the case of any Straddle Period, (i) Taxes imposed on a periodic basis (such as real property Taxes) of the Company shall be allocated between the Pre-Closing Period and the Post-Closing Period *pro rata* on the basis of the number of days in such period, and (ii) Taxes based on or measured by income, gross or net sales, or payments and receipts (other than periodic Taxes) of the Company for the Pre-Closing Period shall be computed as if such taxable period ended as of the close of business on the day prior to the Closing Date. Any refund for a Straddle Period shall be allocated in accordance with this Section 5.6 based on the type of Tax to which such refund relates.

Section 5.7 Transfer Taxes

. All Tax Returns with respect to Transfer Taxes incurred in connection with, or as a consequence of, this Agreement or any transaction contemplated hereby shall be timely filed by the party responsible for such filing under applicable Legal Requirements, and all such Transfer Taxes (and all reasonable out-of-pocket costs for preparation of such Tax Returns) shall be borne by the Sellers. Purchaser and the Sellers shall reasonably cooperate to reduce or eliminate any Transfer Taxes to the extent permitted by applicable Legal Requirements.

Section 5.8 Tax Treatment and Allocation.

(a) Purchaser and Sellers agree that the purchase and sale of the Membership Interests pursuant to this Agreement shall be treated for U.S. federal and applicable state and local income tax purposes as (i) a sale by Sellers of the Membership Interests and (ii) a purchase by Purchaser of the assets of the Company pursuant to Revenue Ruling 99-6, 1999-1 C.B. 432. Purchaser (for itself and on behalf of the Company) and each Seller shall

file all Tax Returns (including amended returns and claims for refund) and information reports and returns in a manner consistent with such treatment.

(b) Within sixty (60) days after the Closing Date, Purchaser shall provide the Sellers with an allocation of the sum of the Purchase Price and any other items that are treated as additional consideration for U.S. federal income tax purposes among the assets of the Company in accordance with Section 1060 of the Code and the Regulations promulgated thereunder for the Purchaser's review and comment (the "**Allocation**"). If the Sellers do not provide any comments to the Purchaser in writing within thirty (30) days following delivery by the Purchaser of the Allocation, then the Allocation proposed by the Purchaser shall be deemed to be final and binding, absent manifest error. If, however, the Sellers submit written comments to the Purchaser within such thirty (30) day period, the Purchaser and the Sellers shall negotiate in good faith to resolve any differences within twenty (20) days. If the Purchaser and the Sellers are unable to reach a resolution within such twenty (20) day period, then all remaining disputed items shall be submitted for resolution by the Accounting Firm, which shall make a final determination as to the disputed items within thirty (30) days after such submission, and such determination shall be final, binding and conclusive on the Sellers and the Purchaser. The fees and disbursements of the Accounting Firm shall be shared equally between the Sellers, on the one hand, and the Purchaser, on the other hand. Upon any subsequent adjustments to the sum of the Purchase Price and any other items that are treated as additional consideration for Tax purposes, the Purchaser shall prepare an updated Allocation in a manner consistent with this Section 5.8(b). For all applicable Tax purposes, the Purchaser and the Sellers agree that the transactions contemplated by this Agreement shall be reported in a manner consistent with the Allocation, and that neither of them will take any position inconsistent with the Allocation in any Tax Return, in any refund claim, in any litigation, or otherwise.

Section 5.9 Payments.

(a) Other than as otherwise set forth in this Article V (including Section 5.2(b)), and subject to Section 6.5, any indemnification or other amount required to be paid pursuant to this Article V shall be made within ten (10) Business Days of entry into a closing or settlement agreement with any applicable Governmental Entity, a final decision by any court having jurisdiction where all rights to object or appeal from the decision have been exhausted or are expired, or a final disposition of a refund claim with respect to the matter giving rise to such indemnification or other amount.

Section 5.10 Conflict and Survival

The covenants and agreements of the parties set forth in this Article V and the representations and warranties of the Sellers in Section 2.9 shall survive until ninety (90) days after the expiration of the applicable statute of limitations for the Tax liabilities in question (giving effect to valid extensions granted prior to the Closing). Except as provided for in Section 6.4, Section 6.5 and Section 6.6, this Article V shall exclusively govern all matters relating to Taxes.

Section 5.11 Adjustment to Purchase Price

For all Tax purposes, unless otherwise required by applicable Legal Requirements, any indemnification payments under Article VI or any payments made under this Article V shall be treated as an adjustment to the Purchase Price.

ARTICLE VI INDEMNIFICATION

Section 6.1 Survival of Representations and Warranties

(a) The representations and warranties of the Sellers contained in this Agreement (other than the representations in Section 2.9 which are dealt with in Article V) shall survive the Closing until the date that is one (1) year following the Closing Date; provided, however, that (i) the representations and warranties made pursuant to Section 2.1 (Organization and Qualification), Section 2.2 (Authority and Enforceability), Section 2.3 (Government Approvals and Consents), Section 2.4 (No Conflicts), Section 2.5 (Company Capital Structure), Section 2.6 (Subsidiaries) and Section 2.16 (Litigation) (together, the “**Seller Fundamental Representations and Warranties**”) shall survive indefinitely. Neither the period of survival nor the liability of each Seller with respect to such Seller’s representations and warranties shall be reduced by any investigation made at any time by or on behalf of Purchaser. If written notice of a claim has been given by Purchaser to the Sellers prior to the expiration of the applicable representations and warranties or indemnification, then the relevant representations and warranties or indemnification shall survive, as to such claim, until such claim has been finally resolved.

(b) The representations and warranties of Purchaser contained in this Agreement shall survive the Closing until the date that is one (1) year following the Closing; provided, however, that the representations and warranties made pursuant to Section 3.1 (Organization) and Section 3.2 (Authority and Enforceability) (together, the “**Purchaser Fundamental Representations and Warranties**”) shall survive indefinitely. Neither the period of survival nor the liability of Purchaser with respect to Purchaser’s representations and warranties shall be reduced by any investigation made at any time by or on behalf of the Sellers. If written notice of a claim has been given prior to the expiration of the applicable representations and warranties by the Sellers to Purchaser, then the relevant representations and warranties shall survive, as to such claim, until such claim has been finally resolved.

Section 6.2 Indemnification by the Sellers

Subject to the limitations set out in Section 6.1 (Survival of Representations and Warranties), Purchaser and its Affiliates (which for the avoidance of doubt includes the Company), officers, directors, employees, agents, representatives, successors and assigns (each a “**Purchaser Indemnified Party**”) shall be indemnified and held harmless by the Sellers on a joint and several basis for and against any and all liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including reasonable attorneys’ and consultants’ fees and expenses) actually suffered or incurred by them (including any Action brought or otherwise initiated by any of them) (hereinafter a “**Loss**”), arising out of or resulting from:

(a) any breach of or inaccuracy in any representation or warranty of a Seller contained in this Agreement (other than a breach of or inaccuracy in any representation or warranty in Section 2.9 (Taxes) , which shall be indemnifiable under Section 5.1); or

(b) the breach of any covenant or agreement by a Seller contained in this Agreement.

To the extent that the Sellers' undertakings set forth in this Section 6.2 may be unenforceable, the Sellers shall jointly and severally contribute the maximum amount that it is permitted to contribute under applicable Legal Requirements to the payment and satisfaction of all Losses incurred by the Purchaser Indemnified Parties.

Section 6.3 Indemnification by Purchaser

The Sellers and their Affiliates, officers, directors, employees, agents, representatives, successors and assigns (each a “ **Seller Indemnified Party** ”) shall be indemnified and held harmless by Purchaser for and against any and all Losses arising out of or resulting from:

(a) any breach of or inaccuracy in any representation or warranty of Purchaser contained in this Agreement; or

(b) the breach of any covenant or agreement by Purchaser contained in this Agreement.

To the extent that Purchaser's undertakings set forth in this Section 6.3 may be unenforceable, Purchaser shall contribute the maximum amount that it is permitted to contribute under applicable Legal Requirements to the payment and satisfaction of all Losses incurred by the Seller Indemnified Parties.

Section 6.4 Limits on Indemnification

Notwithstanding anything to the contrary contained in this Agreement, the maximum aggregate liability of Sellers for indemnification pursuant to this Agreement, including attorney's fees, costs and interests, shall not exceed the sum of the Final Closing Payment and the Guaranteed Payment.

Section 6.5 Notice of Loss; Third Party Claims

(a) (i) An Indemnified Party shall give the Indemnifying Party written notice (a “ **Claim Notice** ”) of any matter that an Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement (an “ **Indemnification Claim** ”), within sixty (60) days of such determination, stating the amount of the Loss suffered, or which may be suffered (which may be a good faith estimate thereof but which shall state in reasonable detail the basis for the amount or estimate thereof) by the Indemnified Party (the “ **Claimed Amount** ”), and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises. (ii) Within thirty (30) days of the Indemnifying Party's receipt of the Claim Notice or the Actual Claim Amount Notice (as defined below) (the “ **Notice Period** ”), the Indemnifying Party may accept or object to the

Indemnification Claim (in its entirety or in part) by sending written notice of such acceptance or objection to Indemnified Party. In the event that the Indemnifying Party so objects by sending a notice of objection (the “ **Notice of Objection** ”), such notice shall set forth, in reasonable detail, the basis for such objection and the portion of the Claimed Amount to which the Indemnifying Party objects in respect of the Claim Notice or the Actual Claim Amount Notice. Failure by the Indemnifying Party to deliver a Notice of Objection conforming to the foregoing requirements to Indemnified Party during the Notice Period shall be deemed an acceptance of the Indemnification Claim in the full amount of the Actual Claim Amount (as defined below). (iii) In the event of an acceptance of an Indemnification Claim in its entirety, Indemnifying Party shall pay to the Indemnified Party the Claimed Amount in accordance with Section 6.6, and in the event of an acceptance of an Indemnification Claim in part, Indemnifying Party shall pay to the Indemnified Party the portion of the Claimed Amount so accepted in accordance with Section 6.6. If the Claimed Amount is an estimate of the Actual Claim Amount, then (A) if the Claimed Amount received by Indemnified Party is greater than the Actual Claim Amount, then Indemnified Party shall promptly so notify the Indemnifying Party and deliver to the Indemnifying Party in immediately available funds to an account designated in writing by the Indemnifying Party the portion of the Claimed Amount which exceeds the Actual Claim Amount and (B) if the Claimed Amount received by Indemnified Party is less than the Actual Claim Amount, then Indemnified Party shall give written notice (in the case of (A) or (B), the “ **Actual Claim Amount Notice** ”) of the Actual Claim Amount to the Indemnifying Party, which notice shall (x) contain evidence (in reasonable detail) demonstrating the Actual Claim Amount and (y) be subject to the terms hereof with respect to the final determination of the Actual Claim Amount. After a final determination of the Actual Claim Amount, Indemnifying Party shall pay to the Indemnified Party the amount by which the Actual Claim Amount exceeds the Claimed Amount, less any portion thereof previously paid hereunder, in accordance with Section 6.6. The “ **Actual Claim Amount** ” shall be the actual Losses suffered by an Indemnified Party, when finally determined in accordance with the terms hereof. Notwithstanding the foregoing, any dispute arising in connection with this Section 6.5 with respect to the determination of the Actual Claim Amount shall be limited to the final determination of the Actual Claim Amount and shall not involve the underlying Indemnification Claim. (iv) In the event that the Indemnifying Party timely delivers a conforming Notice of Objection to Indemnified Party during the Notice Period, no amount shall be payable by the Indemnifying Party to the Indemnified Party of any of the Claimed Amount specified in the Notice of Objection except in accordance with (A) a subsequent written agreement between the Indemnifying Party and Indemnified Party or (B) a final order or determination by a court of competent jurisdiction.

(b) If an Indemnified Party shall receive notice of any Action, demand or assessment (other than any Action, demand or assessment for Taxes covered by Section 5.3) (each, a “ **Third Party Claim** ”) against it or which may give rise to a claim for Loss under this Article VI, within thirty (30) days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VI except to the extent that the Indemnifying Party is prejudiced by such failure and shall not relieve the Indemnifying Party from any other obligation or liability that it may have to any Indemnified Party otherwise than under this Article VI. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party hereunder against any Losses that may result from such Third Party Claim, then the Indemnifying Party shall be entitled to assume and

control the defense of such Third Party Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnified Party within ten (10) days of the receipt of notice from the Indemnified Party of such Third Party Claim; provided, however, that if there exists or is reasonably likely to exist a conflict of interest that would make it inappropriate in the judgment of the Indemnified Party in its reasonable discretion for the same counsel to represent both the Indemnified Party and the Indemnifying Party, then the Indemnified Party shall be entitled to retain its own counsel in each jurisdiction for which the Indemnified Party reasonably determines counsel is required, at the expense of the Indemnifying Party. In the event that the Indemnifying Party exercises the right to undertake any such defense against any such Third Party Claim as provided above, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. Similarly, in the event the Indemnified Party is, directly or indirectly, conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all such witnesses, records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party. No such Third Party Claim, other than a Third Party Claim limited to monetary damages which will be satisfied in full by the Indemnifying Party, may be settled by the Indemnifying Party without the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld.

Section 6.6 Payment of Indemnification Claims

(a) Except as otherwise set forth in this Section 6.6 and except for any claims for indemnification under Section 5.1, which shall be subject to the rules set forth in Section 5.9, the payment of any amount payable pursuant to Section 6.5 shall be made in immediately available funds within ten (10) business days following the final determination of such Claim to an account designated in writing by the Indemnified Party.

(b) Purchaser and the Sellers acknowledge and agree that with respect to any Losses a Purchaser Indemnified Party shall seek under Article V or this Article VI, it shall seek such amount (i) first, against available amounts under the Holdback Amount, subject to and in accordance with the terms of Article V or this Article VI, and (ii) second, against available amounts payable under the Milestone Payments or Guaranteed Payment, as applicable, prior to seeking any amount directly from the Sellers.

(c) In the event that the Holdback Amount remaining, if any, is insufficient to satisfy in whole the amount to be paid to a Purchaser Indemnified Party by the Sellers in accordance with Section 6.4, Purchaser shall deduct from the Milestone Payments or Guaranteed Payment payable, if any and as applicable, the amount in excess of the available Holdback Amount remaining. If the amount being paid hereby is an estimate of the Actual Claim Amount, then (A) if the Claimed Amount received by Purchaser by deduction from the Milestone Payment or Guaranteed Payment is greater than the Actual Claim Amount, then Purchaser shall promptly deliver to the Sellers in immediately available funds to an account designated in writing by the Sellers (if after settlement of the applicable Milestone Payment or Guaranteed Payment under

Section 1.2) or credit to the applicable Milestone Payment or Guaranteed Payment, the portion of the Claimed Amount which exceeds the Actual Claim Amount and (B) if the Claimed Amount received by Purchaser is less than the Actual Claim Amount, then Purchaser shall deduct from the applicable Milestone Payment or Guaranteed Payment the amount by which the Actual Claim Amount exceeds the Claimed Amount, less any portion thereof previously paid hereunder (or if after settlement of the Milestone Payment or Guaranteed Payment under Section 1.2, Purchaser shall proceed otherwise under this Article VI). Any amount due to a Purchaser Indemnified Party other than Purchaser and deducted from the Milestone Payment or Guaranteed Payment in accordance with the terms hereof shall be paid over to the respective Purchaser Indemnified Party by Purchaser and the Sellers shall not have any further obligation or liability therefor.

(d) Should the Holdback Amount and Milestone Payments or Guaranteed Payment, as applicable, remaining, if any, be insufficient to satisfy in whole the amount to be paid to a Purchaser Indemnified Party by the Sellers in accordance with Section 6.5, then the Sellers shall, within ten (10) business days following the final determination of such Claim, pay to Purchaser such shortfall in cash.

(e) The provisions of Section 6.6(c) and (d) allowing for the indemnification obligations of the Sellers to be satisfied from the Milestone Payments or Guaranteed Payment, as applicable shall apply *mutatis mutandis* to any indemnification obligations of the Sellers under Article V.

Section 6.7 No Duplication

For greater certainty, the indemnities provided for in this Article VI shall be without duplication of the indemnities provided for in Article V, such that Article V shall constitute the sole indemnities of the Sellers with respect to Taxes and no indemnification with respect to Taxes shall be provided pursuant to this Article VI.

ARTICLE VII GENERAL PROVISIONS

Section 7.1 Notices

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement, by email); *provided, however*, that notices sent by mail will not be deemed given until received:

(a) if to Purchaser, to:

Faneuil, Inc.
2 Eaton Street, Suite 1002
Hampton, VA 23669
Attn: Anna Van Buren

Email: anna.vanburen@faneuil.com
with a copy (which will not constitute notice) to:

Shearman & Sterling LLP
1460 El Camino Real, Floor 2
Menlo Park, CA 94025
Attn: Chris Forrester
Email: chris.forrester@shearman.com

(b) if to the Sellers, to:

Richard A. Veed
838 South Garfield St
Hinsdale, IL 60521
Email: theveeds@gmail.com

Gregg L. Antenen
22816 Pilcher Rd.
Plainfield, IL 60544
Email: gantenen@realtimedi.com

Sean P. Murphy
2616 Crooked Stick Ln
Mount Pleasant, SC 29466
Email: smurphy@realtimedi.com

Section 7.2 Interpretation

. When a reference is made in this Agreement to an Annex, Exhibit or Schedule, such reference shall be to an Annex, Schedule or Exhibit to this Agreement unless otherwise indicated. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or a Section of this Agreement unless otherwise indicated. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.” The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

Section 7.3 Entire Agreement

. This Agreement, Annex A hereto, the Exhibits and Schedules hereto, the Disclosure Schedule, the Related Agreements, and the documents and instruments and other agreements among the parties hereto referenced herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings both written and oral among the parties with respect to the subject matter hereof, and are not intended to confer upon any other person any rights or remedies hereunder.

Section 7.4 Assignment

. This Agreement shall not be assigned, by operation of law or otherwise, except that Purchaser may assign its rights and delegate its obligations hereunder to (i) its Affiliates as long as Purchaser remains ultimately liable for all of Purchaser's obligations hereunder, and (ii) to the purchaser of all or substantially all of the assets of the Purchaser, including by merger.

Section 7.5 Amendment; Waiver

. No provision of this Agreement may be amended or waived unless by execution of an instrument in writing signed on behalf of the party against whom enforcement is sought.

Section 7.6 Severability

. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

Section 7.7 Other Remedies

(a) . The liability of any party under Article V and Article VI will be in addition to, and not exclusive of, any other liability that such party may have at law or in equity based on such party's fraudulent acts or omissions, or Willful and Intentional Breach. Notwithstanding anything to the contrary contained in this Agreement, none of the provisions set forth in this Agreement, including the provisions set forth in Article V and Article VI, shall be deemed a waiver by any party to this Agreement of any right or remedy which such party may have at law or in equity based on any other party's fraudulent acts or omissions or Willful and Intentional Breach, nor will any such provisions limit, or be deemed to limit (i) the amounts of recovery sought or awarded in any such claim for fraud or Willful and Intentional Breach, (ii) the time period during which a claim for fraud or Willful and Intentional Breach may be brought or (iii) the recourse which any such party may seek against another party with respect to a claim for fraud or Willful and Intentional Breach.

Section 7.8 Governing Law

. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 7.9 Exclusive Jurisdiction

. Each of the parties hereto irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the federal or state courts located in the Borough of Manhattan of The City of New York in connection with any matter arising out of, based upon or relating to this Agreement, the Transactions or any other matters contemplated herein. Each party agrees not to commence any legal proceedings related hereto except in such courts. The parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of copies thereof by overnight courier to the address for such party to which notices are deliverable hereunder. Any such service of process shall be effective upon delivery. Nothing herein shall affect the right to serve process in any other

manner permitted by applicable law. The parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (ii) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (iii) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to any final judgment of any court having jurisdiction.

Section 7.10 Waiver of Jury Trial

. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Section 7.11 Counterparts

. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

* **

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

PURCHASER:

FANEUIL, INC.

By: /s/ Anna Van Buren
Name: Anna Van Buren
Title: President and CEO

SIGNATURE PAGE TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

Sellers:

/s/ Gregg L. Antenen
GREGG L. ANTENEN

/s/ Richard A. Veed
RICHARD A. VEED

/s/ Sean P. Murphy
SEAN P. MURPHY

SIGNATURE PAGE TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

ANNEX A
DEFINED TERMS

“ **Accounting Firm** ” shall mean an accounting firm mutually acceptable to Purchaser, on the one hand, and the Sellers, on the other hand; provided, that if Purchaser and the Sellers are unable to agree on the choice of an accounting firm, they will each select a regionally-recognized accounting firm, and such selected firms will jointly select a third regionally-recognized accounting firm.

“ **Action** ” shall mean any action, suit, claim, complaint, litigation, investigation, audit, proceeding, arbitration or other similar dispute.

“ **Affiliate** ” of any Person shall mean another Person that directly, or indirectly through one of more intermediaries, controls, is controlled by or is under common control with, such first Person.

“ **Benefit Plan** ” means any Plan (i) maintained by the Company or any Affiliate of the Company, (ii) to which the Company or any Affiliate of the Company contributes or has contributed, or (iii) with respect to which the Company or any Affiliate of the Company has incurred any liability, in each case in respect of any Founder, employee, director, consultant (or beneficiary thereof) or former employee, director or consultant (or beneficiary thereof) of the Company or an Affiliate of the Company.

“ **Business** ” shall mean the business in which the Company is engaged, including but not limited to development and delivery of workflow automation software.

“ **Code** ” means the Internal Revenue Code of 1986, as amended.

“ **Company Intellectual Property** ” shall mean the Owned Intellectual Property and the Licensed Intellectual Property.

“ **Company IP Agreements** ” means all Contracts to which any of the Company is a party or by which the Company is bound, and pursuant to which (i) any Intellectual Property is licensed by the Company to any Person or (ii) any Intellectual Property is licensed by any Person to the Company.

“ **Company IT Assets** ” shall mean any and all tangible or digital computer systems (including software-as-a-service, hosting and similar services and computers, screens, servers, workstations, routers, hubs, switches, networks, data communications lines, technical data and hardware), Software and telecommunications systems, and all associated documentation, in each case, owned by or licensed or leased to the Company.

“ **Company Software** ” shall mean all Software owned by the Company and all other Software, whether conceived, developed, created or owned by or on behalf of the Company, the Sellers or a third Person, that is related to, or used or held for use in the operation of the Company or the Business (including the Platform), including all (a) Software used in any service offerings or products (including Company IT Assets) made commercially available or otherwise distributed, or currently under development, by or through the Company, including any and all

websites operated by the Company, (b) Software intended for license to customers and/or end users, and (c) Software, libraries, modules and other materials used by the Company in the development, design, construction or testing of any of the Software described in clause (a) or (b) above.

“ **Contract** ” shall mean any contract, mortgage, indenture, lease, covenant, plan, insurance policy or other agreement, instrument, arrangement, understanding or commitment, permit, concession, franchise, obligation or license, whether written or oral, that is legally binding.

“ **Current Assets** ” means cash and cash equivalents, accounts receivable, inventory and prepaid expenses, but excluding (a) the portion of any prepaid expense of which Buyer will not receive the benefit following the Closing and (b) deferred Tax assets, each as determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Current Financials as if such accounts were being prepared and audited as of a fiscal year end.

“ **Current Liabilities** ” means accounts payable, accrued Taxes and accrued expenses, but excluding deferred Tax liabilities, Transaction Expenses and the current portion of any Indebtedness of the Company, each as determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Current Financials as if such accounts were being prepared and audited as of a fiscal year end.

“ **GAAP** ” means United States generally accepted accounting principles and practices in effect from time to time applied consistently through the periods involved.

“ **Governmental Entity** ” shall mean any court, arbitral body, administrative authority or agency or commission or other federal, state, province, county, local or other political subdivision thereof, or other foreign governmental authority, instrumentality, agency or commission.

“ **Indebtedness** ” shall mean, without duplication: (i) all liabilities for borrowed money, whether current or funded, secured or unsecured, all obligations evidenced by bonds, debentures, notes or similar instruments, and all liabilities in respect of mandatorily redeemable or purchasable equity interests or securities convertible into equity interests; (ii) all liabilities for the deferred purchase price of property or services, which are required to be classified and accounted for under GAAP as liabilities; (iii) all liabilities which are, and to the extent required, to be classified and accounted for under GAAP as capital leases; and (iv) all interest, fees, change of control payments, prepayment premiums and other expenses owed with respect to the indebtedness referred to in clauses (i) through (iii) above.

“ **Indemnified Party** ” means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

“ **Indemnifying Party** ” means the Sellers pursuant to Section 5.1 or Section 6.2 or Purchaser pursuant to Section 6.3, as the case may be.

“ **Intellectual Property** ” shall mean, collectively, in any and all jurisdictions throughout the world, all (a) inventions and discoveries (whether or not patentable or reduced to practice), all improvements thereto and all patents, patent applications, invention disclosures, industrial designs and statutory invention registrations, including reissues, divisionals, continuations, continuations-in-part, extensions and reexaminations thereof, (b) trademarks, service marks, domain names, trade dress, logos, trade names, corporate names, social media handles or other identifiers and other identifiers of source or goodwill, including registrations and applications for registration thereof and including the goodwill symbolized thereby or associated therewith, (c) mask works , moral rights and copyrights (whether registered or unregistered) , including copyrights in Software, and registrations , renewals and applications for registration thereof, (d) confidential or proprietary information, including trade secrets, know-how, techniques, data, designs, drawings, business and marketing information, customer and supplier lists, database rights and invention rights, and all rights to limit the use or disclosure thereof, (e) rights of publicity, (f) Software, (g) all rights in any of the foregoing provided by international treaties and conventions , (h) any documents or other tangible media containing any of the foregoing and (i) all rights to bring an action for past, present and future infringement, misappropriation or other violation of rights and to receive damages, proceeds or other legal or equitable protections and remedies with respect to any of the foregoing.

“ **Knowledge** ” shall mean, with respect to the Sellers, the actual knowledge of Antenen, Veed, or Murphy, after due and diligent inquiry.

“ **Law** ” shall mean any national, federal, state, local, municipal, supranational or foreign order, constitution, law, ordinance, rule, regulation, statute, code or treaty, in each case promulgated by a Governmental Entity.

“ **Legal Requirement** ” shall mean any applicable U.S. or other federal, state, province, local or other constitution, law, statute, ordinance, rule, regulation, published administrative position, policy or principle of common law, or any Order, in any case issued, enacted, adopted, promulgated, implemented or otherwise put into legal effect by or under the authority of any Governmental Entity.

“ **Licensed Intellectual Property** ” means all Intellectual Property that the Company is granted a license to use or is otherwise permitted to use by any Person pursuant to the Company IP Agreements.

“ **Lien** ” shall mean any lien, pledge, charge, claim, mortgage, assessment, hypothecation, infringement, deed of trust, lease, option, right of first refusal, preemptive right, easement, covenant, right of way, servitude, transfer restriction, security interest, exclusive license or other encumbrance of any kind or character whatsoever.

“ **Order** ” shall mean any order, judgment, injunction, ruling, edict, or other decree, whether temporary, preliminary or permanent, enacted, issued, promulgated, enforced or entered by any Governmental Entity.

“ **Owned Intellectual Property** ” means all Intellectual Property owned or purportedly owned by the Company, including but not limited to the Company Software.

“ **Pass-Through Income Tax Return** ” means any Tax Return reporting the income of the Company that is allocable to, and reportable as income of, the Company’s direct or indirect equityholders under applicable Tax Law. For the avoidance of doubt, a Pass-Through Income Tax Return shall not include any Tax Return with respect to which the Company itself is considered the entity that is legally responsible for the payment of Tax shown as due on such Tax Return under applicable Tax Law.

“ **Partnership Audit Rules** ” means the provisions of Subchapter C of Subtitle A, Chapter 63 of the Code, as amended by the Bipartisan Budget Act of 2015, P.L. 114-74 (together with any subsequent amendments thereto, Treasury Regulations promulgated thereunder, and published administrative interpretations thereof), or any similar provisions or procedures established by any state or local Taxing Authority.

“ **Permits** ” shall mean any licenses, permits, certificates, authorizations, consents or orders of, or filings with, or any waiver of the foregoing, issued by any Governmental Entity.

“ **Person** ” shall mean an individual or entity, including a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a Governmental Entity (or any department, agency, or political subdivision thereof).

“ **Personal Information** ” shall mean information about an identifiable individual.

“ **Plan** ” shall mean any bonus, incentive compensation, executive compensation, deferred compensation, pension, profit sharing, employment, consulting, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, leave of absence, layoff, vacation day or dependent care, legal services, “cafeteria” or “flexible” benefit, life, health, medical, dental, vision, hospitalization, prescription drug, accident or disability, fringe benefit, insurance, severance, retention, salary continuation, disability, death benefit, employee loan, educational assistance, employee assistance, separation or other employee benefit plan, practice, policy or arrangement of any kind, whether written or oral.

“ **Post-Closing Period** ” shall mean a taxable period that begins after the Closing Date and the portion of a Straddle Period beginning on the first day following the Closing Date and ending on the last day of the Straddle Period.

“ **Pre-Closing Period** ” shall mean a taxable period that ends on or before the Closing Date and the portion of a Straddle Period beginning on the first day of the Straddle Period and ending on the Closing Date.

“ **Privacy Law** ” shall mean all laws in any jurisdiction concerning the collection, use, storage, processing, disclosure or protection of Personal Information applicable to the Company or the Business, and all regulations promulgated and guidance issued by Governmental Entities relating to the same.

“ **Process** ” shall mean any operation or set of operations which is performed upon information, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission,

dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.

“ **Public Software** ” shall mean any Software that contains, or is derived in any manner from, in whole or in part, any Software that is distributed as freeware, shareware, open source Software (e.g., Linux) or similar licensing or distribution models that (i) require the licensing or distribution of source code to any Person, (ii) prohibit or limit the receipt of consideration in connection with sublicensing or distributing any Software, (iii) except as specifically permitted by applicable Law, allow any Person to decompile, disassemble or otherwise reverse engineer any Software, or (iv) require the licensing of any Software to any Person for the purpose of making derivative works.

“ **Purchase Price** ” shall mean the sum of the Closing Payment, the Milestone Payments and the Guaranteed Payment, each as subject to adjustments as set forth herein.

“ **Related Agreements** ” shall mean the Employment Agreements, the Amended and Restated Software Subscription Agreement and all other agreements and certificates entered into by the Company or the Sellers in connection with the Transactions.

“ **Software** ” shall mean all (i) computer programs, applications, frameworks, systems and code, including software implementations of algorithms, models and methodologies, program interfaces, source code and object code, and relevant configurations, deployment, scripts and/or processes to build, test, deploy, run and maintain the foregoing, (ii) Internet and intranet websites, databases and compilations, including data and collections of data, whether machine-readable or otherwise, (iii) development and design tools, library functions, application program interfaces, and compilers, (iv) technology supporting websites, and the contents and audiovisual displays of websites, (v) training data and associated processes or artifacts for machine learning (or “artificial intelligence”) algorithms used by any of the foregoing, and (vi) media, documentation and other works of authorship, including user manuals and training materials, relating to or embodying any of the foregoing or on which any of the foregoing is recorded; including all software, know-how and/or trade secrets related to the development, creation and determination of the “jump score” as used within the Platform and/or any of the foregoing.

“ **Straddle Period** ” means any taxable period that begins on or before the Closing Date and ends after the Closing Date.

“ **Tax** ” or “ **Taxes** ” shall mean any and all taxes, fees, levies or other assessments, including federal, provincial, local, or foreign income, gross receipts, excise, real or personal property, sales, withholding, social security, occupation, use, service, service use, value added, license, net worth, payroll, employee, withholding, occupation, health, unemployment or employment insurance, workers compensation, government pension plan, franchise or similar taxes, any “imputed underpayment” within the meaning of Section 6225 of the Code (or any similar provision of state or local Law) imposed by any Governmental Entity, together with any interest, penalties or additions to tax and additional amounts imposed with respect thereto, including any such amounts due as a result of having been a member of any consolidated, combined unitary or other group filing a Tax Return or by contract or similar agreement.

“ **Tax Return** ” shall mean any report, return, document, declaration or other information or filing (including the attached schedules) required to be supplied to any Governmental Entity or jurisdiction (foreign or domestic) with respect to Taxes, including any amendments thereof, claim for refund or declaration of estimated Tax.

“ **Transactions** ” shall mean the purchase and sale of the Membership Interests, and the other transactions contemplated by this Agreement.

“ **Transfer Taxes** ” shall mean all sales, transfer, recording or similar Taxes (but for greater certainty excluding any and all income Taxes) incurred solely as a result of the Transactions.

“ **Willful and Intentional Breach** ” shall mean, with respect to any party to this Agreement, a failure by such party to perform or comply with any of its covenants or agreements contained in this Agreement or a breach by such party of any representation or warranty contained in this Agreement, that results from an act or omission undertaken by such party with the Knowledge that such act or omission would, or would reasonably be expected to, cause a material breach of this Agreement by such party.

“ **Working Capital** ” means, as of the Effective Time, Current Assets less Current Liabilities.

EXHIBIT A
MEMBERSHIP INTEREST ASSIGNMENT AND ASSUMPTION

EXHIBIT B
FORM OF EMPLOYMENT AGREEMENTS

ALJ REGIONAL HOLDINGS, INC.

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this “Agreement”) is made as of July 30, 2019 among ALJ Regional Holdings, Inc., a Delaware corporation (the “Corporation”), and each of the investors, severally and not jointly, listed on the Schedule of Purchasers attached hereto as Exhibit A (each of which is herein referred to as a “Purchaser” and collectively as the “Purchasers”).

SECTION 1

Authorization and Sale of Securities

1.1 Sale of Securities. Subject to the terms and conditions hereof, each Purchaser agrees, severally and not jointly, to purchase at the Closing (as defined below), and the Corporation agrees to issue and sell to each Purchaser at the Closing, (i) the number of shares of common stock, par value \$0.01 per share, of the Corporation (the “Common Stock”) set forth across such Purchaser’s name on Exhibit A (the “Shares”) and (ii) warrants (the “Warrants”) to purchase the number of shares of Common Stock (the “Warrant Shares”, and together with the Warrants and the Shares, the “Securities”) set forth across such Purchaser’s name on Exhibit A for the aggregate purchase price set forth across such Purchaser’s name on Exhibit A (the “Aggregate Purchase Price”). The Corporation’s agreement with each Purchaser is a separate agreement, and the sale and issuance of the Securities to each Purchaser is a separate sale and issuance.

1.2 Closing. The issuance and sale to, and purchase by, each Purchaser of the Securities pursuant to Section 1.1 hereof shall take place at the offices of Shearman & Sterling LLP, 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, on such date and at such time (which date, time and place are designated as the “Closing”) as the consummation of the acquisition contemplated by that certain Membership Interest Purchase Agreement, by and among the Corporation’s wholly owned subsidiary Faneuil Inc. and the sellers party thereto (the “MIPA”), or at such other date, time and place as may be determined by the Corporation; provided, that the Corporation shall provide at least two business days’ notice to the Purchasers of such Closing; provided, further, that the Closing shall in no event be later than August 15, 2019.

1.3 Closing Deliverables. At the Closing, the Corporation shall (i) instruct the transfer agent for the Common Stock to issue to each Purchaser a certificate representing the Shares (the “Share Certificate”), registered in the name of such Purchaser, and (ii) issue to each Purchaser a Warrant, in substantially the form attached hereto as Exhibit B, against payment of such Purchaser’s Aggregate Purchase Price by wire transfer of immediately available funds to an account designated by the Corporation.

1.4 Authorization of Securities. The Corporation has authorized the sale and issuance of the Securities. The Common Stock shall have the rights, preferences, privileges and restrictions set forth in the Corporation’s Restated Certificate of Incorporation, as amended.

SECTION 2

Representations and Warranties of the Purchaser s

Each Purchaser, independently and not joint and severally, hereby represents and warrants to the Corporation with respect to the purchase of the Securities as follows :

2.1 Authorization. The Purchaser has the corporate or limited liability company power and authority (or in the case of an individual, the capacity) to execute and deliver this Agreement, the Registration Rights Agreement (as defined below) and all other agreements, documents, certificates, and instruments delivered to the Corporation in connection with the transactions contemplated under this Agreement to which it is a party, and to consummate the transactions contemplated hereby and thereby. No other proceedings on the part of the Purchaser are necessary to authorize the execution and delivery by the Purchaser of this Agreement and the Registration Rights Agreement and the consummation by it of the transactions contemplated hereby and thereby. This Agreement (and as of the Closing, the Registration Rights Agreement) have been duly executed and delivered by the Purchaser and (assuming due authorization, execution and delivery by the counterparties thereto) each of them constitutes a valid and binding agreement of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

2.2 Experience; Risk; Accredited Investor. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of the Securities and of protecting its interests in connection herewith. The Purchaser is able to fend for itself in the transactions contemplated by this Agreement and has the ability to bear the economic risk of this investment, including complete loss of the investment. The Purchaser is an "accredited investor," as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act, and it is able to bear the economic risk of an investment in the Corporation's securities.

2.3 Investment. The Purchaser is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof, and has no present intention of selling, granting any participation in, or otherwise distributing the same. The Purchaser understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein.

2.4 Restricted Securities; Rule 144. The Purchaser understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Corporation in a transaction not involving a public offering and that under such laws and applicable regulations the Securities may be resold without registration under the Securities Act only in certain limited circumstances. The Purchaser acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or

an exemption from such registration is available. The Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions.

2.5 Access to Data. The Purchaser has had an opportunity to discuss the Corporation's business, management and financial affairs with the Corporation's management and the opportunity to review the Corporation's facilities. The Purchaser has been given such access to the books and records of the Corporation as is reasonably necessary for the Purchaser to make an informed investment decision.

2.6 Legends. It is understood that each certificate representing the Securities and any securities issued in respect thereof or exchange therefor shall bear a legend in the following form (in addition to any legend required under applicable state securities laws):

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO IT STATING THAT SUCH SALE OR TRANSFER IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT. COPIES OF THE AGREEMENT COVERING THE PURCHASE OF THESE SHARES AND RESTRICTING THEIR TRANSFER MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE CORPORATION AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION.”

2.7 No Disqualification Events. The Purchaser is not subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a “Disqualification Event”).

SECTION 3

Representations and Warranties of the Corporation

3.1 Authorization. The Corporation has the corporate power and authority to execute and deliver this Agreement, the Registration Rights Agreement and all other agreements, documents, certificates, and instruments delivered to the Purchasers in connection with the transactions contemplated under this Agreement to which it is a party, and to consummate the transactions contemplated hereby and thereby. No other corporate proceedings on the part of the Corporation are necessary to authorize the execution and delivery by the Corporation of this Agreement and the Registration Rights Agreement and the consummation by it of the transactions contemplated hereby and thereby. This Agreement (and as of the Closing, the Registration Rights

Agreement) has been duly executed and delivered by the Corporation and (assuming due authorization, execution and delivery by the counterparties thereto) each of them constitutes a valid and binding agreement of the Corporation and is enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

3.2 Noncontravention. The execution and delivery by the Corporation of this Agreement and the Registration Rights Agreement do not, and the consummation of the transactions contemplated hereby and thereby and compliance with the provisions hereof and thereof by the Corporation will not, conflict with or result in any material breach of the terms, conditions, or provisions of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation, or acceleration of any obligation, or result in the creation of any lien upon any of the properties or assets of the Corporation under (a) any material contract of the Corporation, (b) any provision of the certificate of incorporation or bylaws of the Corporation, or (c) any law applicable to the Corporation or its properties or assets.

3.3 Capitalization. The Securities, when issued and paid for in accordance with the terms of this Agreement, will be duly and validly authorized and issued, fully paid and non-assessable, and will be issued in compliance with all applicable federal and state laws. There are no preemptive rights with respect to the Securities, and none of the securities issued by the Corporation have been issued in violation of any preemptive or similar rights. The Securities, when issued to Purchaser, will be free and clear of any liens, security interests, encumbrances or pledges.

3.4 SEC Filings; Financial Statements.

(a) The Corporation has filed all forms, reports and documents required to be filed by it with the Securities and Exchange Commission (the "SEC") since May 10, 2016 (collectively, the "SEC Reports"). The SEC Reports (i) complied in all material respects as to form with the requirements of the Securities Act, or the Securities Exchange Act of 1934, as amended, as the case may be, and the rules and regulations promulgated thereunder, and (ii) did not, at the time they were filed, or, if amended, as of the date of such amendment, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements contained in the SEC Reports present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of the Corporation and its subsidiaries as of such dates and for the periods then ended, except as otherwise noted therein. There have been no material adverse changes to the Corporation since its last Quarterly Report on Form 10-Q filed with the SEC.

3.5 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Corporation or for which the Corporation may otherwise be liable.

3.6 No Disqualification Events. None of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Corporation participating in the offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Corporation in any capacity at the time of sale (each, an "Issuer Covered Person") is subject to any Disqualification Event. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

3.7 Aggregate Proceeds. The Aggregate Purchase Price for all Securities issued and sold to the Purchasers hereunder shall be at least \$7,000,000.

SECTION 4

Conditions to the Purchasers' Obligations at Closing

The obligations of each Purchaser under Section 1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

- 4.1 Representations and Warranties. The representations and warranties of the Corporation in Section 3 of this Agreement shall be true and correct as of the Closing with the same force and effect as though such representations and warranties had been made on and as of the date of the Closing.
- 4.2 Performance. The Corporation shall have delivered (or caused the transfer agent to deliver) the Share Certificate and all other covenants, agreements and conditions contained in this Agreement to be performed by the Corporation on or prior to the Closing shall have been performed or complied with by the Corporation in all material respects as of the Closing.
- 4.3 Compliance Certificate. An officer of the Corporation shall have delivered to the Purchaser a certificate certifying that the conditions specified in Sections 4.1 and 4.2 have been fulfilled.
- 4.4 Registration Rights Agreement. The Corporation shall have executed and delivered to the Purchaser the Registration Rights Agreement in substantially the form set forth as Exhibit C hereto (the "Registration Rights Agreement").
- 4.5 Permits, Qualifications and Consents. All authorizations, approvals, consents or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Securities pursuant to this Agreement shall be duly obtained and effective as of the Closing.
- 4.6 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser, and the Purchaser shall have received all such counterpart original and certified or other copies of such documents as they may reasonably request.

SECTION 5

Conditions to the Corporation's Obligations at Closing

The obligations of the Corporation to each Purchaser under Section 1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

- 5.1 Representations and Warranties. The representations and warranties of the Purchaser in Section 2 of this Agreement shall be true and correct as of the Closing with the same force and effect as though such representations and warranties had been made on and as of the date of the Closing.
- 5.2 Compliance Certificate. An officer of the Purchaser (or, in the case of an individual, the Purchaser) shall have delivered to the Corporation a certificate certifying that the condition specified in Section 5.1 has been fulfilled.
- 5.3 Payment of Aggregate Purchase Price. The Purchaser shall have delivered to the Corporation the Aggregate Purchase Price as specified in Section 1 of this Agreement.
- 5.4 Registration Rights Agreement. The Purchaser shall have executed and delivered to the Corporation the Registration Rights Agreement.
- 5.5 Permits, Qualifications and Consents. All authorizations, approvals, consents or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Securities pursuant to this Agreement shall be duly obtained and effective as of the Closing.

SECTION 6

Termination

- 6.1 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to Closing:
 - (a) by mutual written agreement of the Corporation and a Purchaser; or
 - (b) by either the Corporation or a Purchaser by written notice to the other party if the Closing shall not have occurred by August 15, 2019 (the "Outside Date"), provided that the party seeking to terminate this Agreement pursuant to this Section 6.1(b) shall not have breached in any material respect its obligations under this Agreement in any manner that shall have been the primary cause of the failure of the Closing to occur on or before the Outside Date.

SECTION 7

Miscellaneous

7.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware as applied to contracts made and to be fully performed entirely within such State between residents of such State. All disputes arising out of this Agreement shall be subject to the exclusive jurisdiction and venue of any court within Wilmington, Delaware and the parties consent to the personal and exclusive jurisdiction and venue of such courts.

7.2 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

7.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by a Purchaser and the Corporation.

7.4 California Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTIONS 25100, 25102 or 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

7.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the party actually executing such counterpart, and all of which together shall constitute one instrument.

7.6 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent via facsimile transmission to the facsimile number given below and telephonic confirmation of receipt is obtained promptly after completion of transmission; (c) on the business day after deposit to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service, to the party as follows; or (d) upon delivery if sent by electronic mail.

If to the Corporation: ALJ Regional Holdings, Inc.
 Attn: Executive Chairman
 244 Madison Avenue
 PMB #358

New York, New York 10016

With a copy (which shall not constitute notice) to:

Shearman & Sterling LLP
Attention: Christopher M. Forrester
1460 El Camino Real, 2nd Floor
Menlo Park, CA 94025
Facsimile: (650) 838-3699

If to Purchaser:

Such Purchaser's address as set forth beneath its signature or its name on Exhibit A hereto.

* **

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

ALJ REGIONAL HOLDINGS, INC.
A Delaware corporation

By: /s/ Brian Hartman
Name: Brian Hartman
Title: CFO

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

**JESS M RAVICH DEFINED BENEFIT PENSION PLAN & TRUST
DTD 12/27/02**

By: /s/ Jess Ravich _____
Name: Jess Ravich
Title: Trustee

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

LIBRA SECURITIES HOLDINGS, LLC

By: /s/ Jess Ravich
Name: Jess Ravich
Title: CEO

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

**PENSCO TRUST CO CUSTODIAN FBO WILLIAM MONTGOMERY
ROTH IRA**

By: /s/ William Montgomery
Name: William Montgomery

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

GREAT ELM OPPORTUNITIES FUND I, LP

By: /s/ Adam Kleinman
Name: Adam Kleinman
Title: Authorized Signatory

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

JEFFREY BENJAMIN 2012 FAMILY TRUST

By: /s/ Claudia Slacik
Name: Claudia Slacik
Title: Trustee

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

HECTOGON FUND L.P.

By: /s/ Daniel Harnetz
Name: Daniel Harnetz
Title: Managing GP

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

GENERAL MANAGEMENT HOLDINGS LLC

By: /s/ Taylor Harmeling _____
Name: Taylor Harmeling
Title: Manager

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

**ANNA MARY VAN BUREN TRUST AGREEMENT DATED
SEPTEMBER 14, 2012**

By: /s/ Anna Van Buren
Name: Anna Van Buren
Title: Trustee

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

**DAVID CHIH-WEN WANG AND CLAUDIA WANG, TRUSTEES OF
THE WANG FAMILY TRUST, U/D/O DECEMBER 31, 2013**

By: /s/ David Wang _____
Name: David Wang
Title: Trustee

[Signature Page to Common Stock Purchase Agreement]

The foregoing Common Stock Purchase Agreement is hereby executed as of the date first set forth above.

COSTER REVOCABLE TRUST DATED AUGUST 18, 2015

By: /s/ Michael Coster
Name: Michael Coster
Title: Trustee

[Signature Page to Common Stock Purchase Agreement]

EXHIBIT A

Name	Shares	Warrants	Aggregate Purchase Price
Jess M Ravich Defined Benefit Pension Plan & Trust DTD 12/27/02	600,000	199,800	\$ 1,080,000
Libra Securities Holdings, LLC	960,000	319,680	\$ 1,728,000
Pensco Trust Co Custodian FBO William Montgomery ROTH IRA	782,000	260,406	\$ 1,407,600
Great Elm Opportunities Fund I, LP	555,555	185,000	\$ 999,999
Jeffrey Benjamin 2012 Family Trust	416,555	138,713	\$ 749,799
Hectogon Fund L.P.	194,444	64,750	\$ 349,999
General Management Holdings LLC	275,555	91,760	\$ 495,999
Anna Mary Van Buren Trust Agreement Dated September 14, 2012	55,555	18,500	\$ 99,999
David Chih-Wen Wang and Claudia Wang, Trustees of the Wang Family Trust, u/d/o December 31, 2013	27,600		\$ 9,191,49,680
Coster Revocable Trust Dated August 18, 2015	27,600		\$ 9,191,49,680
Total	3,894,864	1,296,991	7,010,755

EXHIBIT B
FORM OF WARRANT

EXHIBIT C
FORM OF REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement, dated as of July 30, 2019, is by and between ALJ Regional Holdings, Inc., a Delaware corporation (the “Corporation”), and each of the investors, severally and not jointly, listed on the Schedule of Purchasers attached hereto as Exhibit A (each of which is herein referred to as a “Purchaser” and collectively as the “Purchasers”).

WHEREAS, pursuant to that certain Common Stock Purchase Agreement, dated as of July 30, 2019 (the “Stock Purchase Agreement”), by and between the Corporation and the Purchasers, the Corporation has issued and sold to Purchasers such number of shares of the Corporation’s common stock, par value \$0.01 per share (the “Common Stock”) and warrants to purchase (the “Warrants”) such number of shares of Common Stock, each as set forth on Exhibit A to the Stock Purchase Agreement; and

WHEREAS, pursuant to the Stock Purchase Agreement, the Corporation wishes to grant certain registration rights with respect to such shares of Common Stock sold to the Purchasers or issuable pursuant to the exercise of the Warrants on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Definitions.

(a) Unless otherwise defined herein, the terms below shall have the following meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

“Affiliate” shall mean, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” shall mean this Registration Rights Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing.

“Business Day” shall mean any day that is not a Saturday, Sunday or other day on which commercial banks are required or permitted by law to be closed in the City of New York in the State of New York.

“Control” (including the terms “Controlled by” and “under common Control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder.

“Holder” shall mean a Purchaser, and any transferee of such Purchaser to whom Registrable Securities are permitted to be transferred in accordance with the terms of this Agreement, and, in each case, who continues to be entitled to the rights of a Holder hereunder.

“Person” shall mean any individual, corporation, partnership, joint venture, firm, trust, unincorporated organization, government or any agency or political subdivision thereof or other entity.

“Registrable Securities” shall mean (a) the shares of Common Stock issued pursuant to the Stock Purchase Agreement and held by a Holder, (b) the shares of Common Stock issuable upon any exercise of the Warrants and (c) any Securities issuable or issued or distributed in respect of any of the Common Stock identified in clause (a) or (b) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, reorganization, merger, consolidation or otherwise. For purposes of this Agreement, (i) Registrable Securities shall cease to be Registrable Securities when a Shelf Registration Statement covering the Registrable Securities has been declared effective under the Securities Act by the SEC and the Registrable Securities have been disposed of pursuant to such effective Shelf Registration Statement and (ii) the Registrable Securities of a Holder shall not be deemed to be Registrable Securities at any time when such Registrable Securities, in the opinion of counsel satisfactory to the Corporation and such Holder, each in their reasonable judgment, may be distributed to the public pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act (which, for the avoidance of doubt, shall be following the lapse of any applicable holding period under Rule 144 (or any successor provisions then in effect) under the Securities Act) or such Registrable Securities have been sold in a sale made pursuant to Rule 144 of the Securities Act.

“Securities Act” shall mean the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

“SEC” shall mean the Securities and Exchange Commission, or any successor thereto.

(b) The following terms have the meanings set forth in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Blackout Period	3
Common Stock	Recitals
Damages	8(a)
Holder Indemnified Party	8(a)
Indemnified Party	8(d)
Indemnifying Party	8(d)
Corporation Indemnified Party	8(b)
Registration Period	4(a)

Demand Registration.

At any time after the date of this Agreement, any Holder of at least 250,000 Registrable Securities may request the Company file with the SEC and use its reasonable best efforts to cause to be declared effective, a registration statement registering the resale from time to time by Holders thereof of all of the Registrable Securities (the “Shelf Registration Statement”). The Shelf Registration Statement shall be on Form S-3 or another appropriate form permitting registration of such Registrable Securities for resale by such Holders and any disposition of the Registrable Securities shall be made in accordance with the methods of distribution set forth in the Shelf Registration Statement, provided, that in no event will such method(s) of distribution take the form of an underwritten offering of the Registrable Securities.

Blackout Periods.

The Corporation shall have the right to delay the filing or effectiveness of the Shelf Registration Statement required pursuant to Section 2 hereof during no more than two (2) periods aggregating to not more than 90 days (a “Blackout Period”) in the event that (i) the Corporation would, in accordance with the advice of its counsel, be required to disclose in the prospectus information that the Corporation has a bona fide business purpose for preserving as confidential and (ii) in the good faith judgment of the Corporation’s Board of Directors, there is a reasonable likelihood that such disclosure or any other action to be taken in connection with the prospectus, would materially and adversely affect or interfere with any financing, acquisition, merger, disposition of assets (not in the ordinary course of business), corporate reorganization or other similar transaction in which the Corporation is engaged or in respect of which the Corporation has taken a substantial step to commence, or there is an event or state of facts relating to the Corporation which is material to the Corporation, the disclosure of which would, in the good faith judgment of the Corporation be adverse to its interests; provided, however, that the Corporation shall delay during such Blackout Period the filing or effectiveness of any Shelf Registration Statement required pursuant to the registration rights of the holders of any Securities of the Corporation. The Corporation shall have no obligation to include in any such notice any reference to or description of the facts based upon which the Corporation is delivering such notice.

Registration Procedures.

If the Corporation is required by the provisions of Section 2 to use its reasonable best efforts to effect the registration of the Registrable Securities under the Securities Act, the Corporation will, as expeditiously as possible:

(a) prepare and file with the SEC a Shelf Registration Statement with respect to the Registrable Securities and use its reasonable best efforts to cause such Shelf Registration Statement promptly to become and remain effective for a period of time required for the disposition of the Registrable Securities by the Holders thereof but not to exceed 180 days (as such time period may be extended pursuant to Section 4(j), the “Registration Period”); provided, however, that before filing such Shelf Registration Statement or any amendments thereto (for purposes of this subsection, amendments shall not be deemed to include any filing that the Corporation is required to make pursuant to the Exchange Act), the Corporation shall furnish the representatives of the Holders referred to in Section 4(k) copies of all documents proposed to be

filed, which documents will be subject to the review of such counsel. The Corporation shall not be deemed to have used its reasonable best efforts to keep a Shelf Registration Statement effective during the applicable period if it voluntarily takes any action that would result in the Holders of the Registrable Securities not being able to sell the Registrable Securities during that period, unless such action is required under applicable law;

(b) prepare and file with the SEC such amendments and supplements to such Shelf Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Shelf Registration Statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of the Registrable Securities until the earlier of such time as all Registrable Securities have been disposed of in a public offering or the expiration of the Registration Period;

(c) furnish to the selling Holders such number of conformed copies of the Shelf Registration Statement and each such amendment and supplement thereto (including in each case all exhibits, financial statements and schedules), and of a summary prospectus or other prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents, as such selling Holders may reasonably request;

(d) use its reasonable best efforts to register or qualify the Registrable Securities covered by such Shelf Registration Statement under such other securities or blue sky laws of such jurisdictions within the United States and Puerto Rico as each Holder of such Registrable Securities shall reasonably request, to keep such registration or qualification in effect for so long as such Shelf Registration Statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder (provided, however, that the Corporation shall not be required in connection therewith or as a condition thereto to qualify to do business, subject itself to taxation in or file a general consent to service of process in any jurisdiction wherein it would not but for the requirements of this paragraph (d) be obligated to do so; and provided, further, that the Corporation shall not be required to qualify the Registrable Securities in any jurisdiction in which the securities regulatory authority requires that any Holder submit any shares of its Registrable Securities to the terms, provisions and restrictions of any escrow, lockup or similar agreement(s) for consent to sell Registrable Securities in such jurisdiction unless such Holder agrees to do so), and do such other reasonable acts and things as may be required of it to enable such Holder to consummate the disposition in such jurisdiction of the Registrable Securities covered by such Shelf Registration Statement;

(e) enter into customary agreements and take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities;

(f) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make earnings statements satisfying the provisions of Section 11(a) of the Securities Act generally available to the Holders no later than 45 days after the end of any twelve-month period (or 90 days, if such period is a fiscal year), beginning with the first month of the Corporation's first fiscal quarter commencing after the effective date of the Shelf Registration Statement, which statements shall cover said twelve-month periods;

(g) use its reasonable best efforts to cause all Registrable Securities to be listed on each securities exchange or quotation system on which similar securities issued by the Corporation are listed or traded;

(h) give written notice to the Holders:

(i) when such Shelf Registration Statement or any amendment thereto has been filed with the SEC and when such Shelf Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the SEC for amendments or supplements to such Shelf Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Corporation or its legal counsel of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Corporation to make changes in such Shelf Registration Statement or the prospectus in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made);

(i) use its reasonable best efforts to prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of such Shelf Registration Statement at the earliest possible time;

(j) upon the occurrence of any event contemplated by Section 4(h)(v) above, promptly prepare a post-effective amendment to such Shelf Registration Statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Corporation notifies the Holders in accordance with Section 4(h)(v) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Holders shall suspend use of such prospectus and use their commercially reasonable efforts to return to the Corporation all copies of such prospectus other than permanent file copies then in such Holder's possession, and the period of effectiveness of such Shelf Registration Statement provided for above shall be extended by the number of days from and including the date of the giving of such notice to the date Holders shall have received such amended or supplemented prospectus pursuant to this Section 4(j);

(k) promptly make available for inspection by the representatives of the Holders and any attorney, accountant or other agent retained by such Holder or representative all relevant financial and other records, pertinent corporate documents and properties of the Corporation as the Holder may reasonably request and cause the Corporation's officers, directors and employees to supply all relevant information reasonably requested by such representative or attorney, accountant or agent in connection with the registration; and

(l) use reasonable best efforts to procure the cooperation of the Corporation's transfer agent in settling any offering or sale of Registrable Securities, including with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders and providing any legal opinions required by the transfer agent in connection with such settlement.

Furnish Information.

It shall be a condition precedent to the obligation of the Corporation to take any action pursuant to this Agreement in respect of the Registrable Securities which are to be registered that such Holder shall furnish to the Corporation such information regarding the Registrable Securities held by such Holder and the intended method of disposition thereof as the Corporation shall reasonably request and as shall be required to effect the registration of such Holder's Registrable Securities.

Expenses.

All expenses incurred in connection with the Shelf Registration Statement pursuant to Section 2 of this Agreement, including without limitation all registration, filing and qualification fees, word processing, duplicating, printers' and accounting fees (including the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance), fees of the Financial Industry Regulatory Authority, Inc. or listing fees, messenger and delivery expenses, all fees and expenses of complying with state securities or blue sky laws and fees and disbursements of counsel for the Corporation shall be paid by the Corporation, except that:

(a) all such expenses in connection with any amendment or supplement to a Shelf Registration Statement or Prospectus requested by a Holder and filed after the Registration Period because such Holder has not effected the disposition of the Registrable Securities shall be paid by such Holder; and

(b) the Holders shall bear and pay any fees and expenses incurred in respect of counsel or other advisors to the Holders.

Rule 144 Information.

With a view to making available the benefits of Rule 144 under the Securities Act and any other rules and regulations of the SEC that may at any time permit the sale of the Registrable Securities to the public without registration, the Corporation agrees to:

(a) make and keep adequate current public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(b) file with the SEC in a timely manner all reports and other documents (i) required of the Corporation under the Securities Act and the Exchange Act, for so long as the Corporation remains subject to such requirements, and (ii) required for sales under Rule 144;

(c) submit electronically and post on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T; and

(d) furnish promptly to each Holder of Registrable Securities upon request (i) to the extent accurate, a written statement by the Corporation that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act and (ii) such other information as may be reasonably requested to permit such Holder to sell Registrable Securities pursuant to Rule 144 without registration.

8. Indemnification and Contribution.

(a) The Corporation shall indemnify and hold harmless each Holder, such Holder's directors and officers, employees, agents, general partner, limited partner, stockholder, investment manager and each Person who participates in any offering of the Registrable Securities and each Person, if any, who Controls such Holder or participating Person (each a "Holder Indemnified Party"), against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or proceedings in respect thereof) arise out of or are based upon: (i) any untrue or alleged untrue statement of any material fact contained in the Shelf Registration Statement on the effective date thereof (including any prospectus filed under Rule 424 under the Securities Act or any amendments or supplements thereto) or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (such losses, claims, damages and liabilities, "Damages") and the Corporation shall reimburse each Holder Indemnified Party for any legal or other expenses reasonably incurred by such Holder Indemnified Party in connection with investigating or defending any claim or proceeding from which Damages may result; provided, however, that the indemnity agreement contained in this Section 8(a) shall not apply to amounts paid in settlement of any such Damages if such settlement is effected without the consent of the Corporation (which consent shall not be unreasonably withheld); provided, further, that the Corporation shall not be liable to any Holder Indemnified Party for any Damages to the extent that such Damages arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in connection with the Shelf Registration Statement, preliminary or final prospectus, or amendments or supplements thereto in reliance upon and in conformity with written information furnished by or on behalf of a Holder Indemnified Party expressly for use in connection with such registration by any such Holder Indemnified Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Indemnified Party.

(b) Each Holder severally and not jointly shall indemnify and hold harmless the Corporation, each of its directors and officers, each Person, if any, who Controls the Corporation, and each agent for the Corporation (within the meaning of the Securities Act) (each, a "Corporation Indemnified Party") against any Damages, joint or several, to which a Corporation Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such Damages (or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Shelf Registration Statement on the effective date thereof (including any prospectus filed under Rule

424 under the Securities Act or any amendments or supplements thereto) or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Shelf Registration Statement, preliminary or final prospectus, or amendments or supplements thereto, in reliance upon and in conformity with written information furnished by or on behalf of such Holder expressly for use in connection with such registration; and each such Holder shall reimburse each Corporation Indemnified Party for any legal or other expenses reasonably incurred by such Corporation Indemnified Party (but not in excess of expenses incurred in respect of one counsel for all of the Corporation Indemnified Parties unless there is an actual conflict of interest between any Corporation Indemnified Parties, which Corporation Indemnified Parties may be represented by separate counsel) in connection with investigating or defending any claim or proceeding from which Damages may result; provided, however, that the indemnity agreement contained in this Section 8(b) shall not apply to amounts paid in settlement of any such Damages if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld), and provided further, that the liability of each Holder hereunder shall be limited to the proportion of any such loss, claim, damage, liability or expense which is equal to the proportion that the net proceeds from the sale of the Registrable Securities sold by such Holder under the Shelf Registration Statement bears to the total net proceeds from the sale of all securities sold thereunder, but not in any event to exceed the net proceeds received by such Holder from the sale of Registrable Securities covered by the Shelf Registration Statement.

(c) If the indemnification provided for in this Section 8 from an indemnifying party is unavailable to an indemnified party hereunder in respect of any Damages referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Damages in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified parties in connection with the actions which resulted in such Damages, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that, in any such case no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by a party as a result of the Damages referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. If the allocation provided in this paragraph (c) is not permitted by applicable law, the parties shall contribute based upon the relevant benefits received by the Corporation from the initial offering of the Registrable Securities on the one hand and the net proceeds received by the Holders from the sale of Registrable Securities on the other. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 7(c).

(d) Any Person entitled to indemnification hereunder (the “ Indemnified Party ”) agrees to give prompt written notice to the party owing indemnification obligations to such Person (the “ Indemnifying Party ”) after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, that the failure so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party hereunder unless such failure is materially prejudicial to the Indemnifying Party. If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action, or (iii) the named parties to any such action (including any impleaded parties) have been advised by such counsel that either (A) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (B) there are one or more legal defenses available to it which are substantially different from or additional to those available to the Indemnifying Party. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld.

(e) The agreements contained in this Section 8 shall survive the transfer of the Registrable Securities by any Holder and sale of all of the Registrable Securities pursuant to the Shelf Registration Statement and shall otherwise survive the termination of this Agreement and remain in full force and effect, regardless of any investigation made by or on behalf of any Holder or such director, officer or participating or Controlling Person.

Certain Additional Limitations on Registration Rights.

Notwithstanding the other provisions of this Agreement, the Corporation shall not be obligated to register the Registrable Securities of any Holder if such Holder shall fail to furnish to the Corporation necessary information in respect of the distribution of the Registrable Securities.

No Inconsistent Agreements.

The Corporation will not hereafter enter into any agreement with respect to its securities, which is inconsistent in any material respects with the rights granted to the Holders in this Agreement.

11. Miscellaneous.

(a) Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of the Agreement was not performed in accordance with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

(b) Amendments and Waivers: Assignment.

(i) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Corporation and each Holder party hereto or, in the case of a waiver, by the party or parties against whom the waiver is to be effective; provided, however, that waiver by the Holders shall require the consent of a majority in interest of the Holders.

(ii) No failure or delay by any party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified herein) shall operate as a waiver thereof and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(c) Notice Generally. All notices, request, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified by notice given in accordance with this Section 11(c)):

(i) If to any Holder, at its last known address appearing on the books of the Corporation maintained for such purpose.

(ii) If to the Corporation, at

ALJ Regional Holdings, Inc.
Attn: Executive Chairman
244 Madison Avenue
PMB #358
New York, New York 10016

with a copy (which shall not constitute notice) to:

Shearman & Sterling LLP
1460 El Camino Real, Floor 2
Menlo Park, CA 94025
Attn: Chris Forrester
Email: chris.forrester@shearman.com
Facsimile No.: 650-838-5173

or at such other address as may be substituted by notice given as herein provided.

(d) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the successors and permitted assigns of the parties hereto as hereinafter provided. No party hereto may assign either this

Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other party; provided, however, that the registration rights of any Holder with respect to any Registrable Securities shall be transferred to any Person who is the transferee of the Registrable Securities. All of the obligations of the Corporation hereunder shall survive any such transfer. No assignment shall relieve the assigning party of any of its obligations hereunder. Except as provided in Section 8, no Person other than the parties hereto and their respective successors and permitted assigns is intended to be a beneficiary of this Agreement and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

(e) Headings. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

(f) Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

(i) Any claim, action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be heard and determined in any state or federal court sitting in the State of Delaware, and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom in any such claim, action, suit or proceeding) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such claim, action, suit or proceeding in any such court or that any such claim, action, suit or proceeding that is brought in any such court has been brought in an inconvenient forum.

(ii) Subject to applicable law, process in any such claim, action, suit or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Nothing herein shall affect the right of any party to serve legal process in any other manner permitted by law or at equity. **WITH RESPECT TO ANY SUCH CLAIM, ACTION, SUIT OR PROCEEDING IN ANY SUCH COURT, EACH OF THE PARTIES IRREVOCABLY WAIVES AND RELEASES TO THE OTHER ITS RIGHT TO A TRIAL BY JURY, AND AGREES THAT IT WILL NOT SEEK A TRIAL BY JURY IN ANY SUCH PROCEEDING.**

(g) Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(h) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(i) Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

(j) Construction. Each party hereto acknowledges and agrees it has had the opportunity to draft, review and edit the language of this Agreement and that no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any Dispute relating to, in connection with or involving this Agreement. Accordingly, the parties hereto hereby waive the benefit of any rule of Law or any legal decision that would require, in cases of uncertainty, that the language of a contract should be interpreted most strongly against the party who drafted such language.

(k) Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts (including by facsimile or PDF), each of which shall be an original with the same effect as if the signatures thereto were upon the same instrument. This Agreement shall become effective when each party shall have received a counterpart hereof signed by the other party.

[Signatures appear on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**JESS M RAVICH DEFINED BENEFIT PENSION PLAN & TRUST
DTD 12/27/02**

By: /s/ Jess Ravich
Name: Jess Ravich
Title: Trustee

LIBRA SECURITIES HOLDINGS, LLC

By: /s/ Jess Ravich
Name: Jess Ravich
Title: CEO

**PENSCO TRUST CO CUSTODIAN FBO WILLIAM MONTGOMERY
ROTH IRA**

By: /s/ William Montgomery
Name: William Montgomery

GREAT ELM OPPORTUNITIES FUND I, LP

By: /s/ Adam Kleinman
Name: Adam Kleinman
Title: Authorized Signatory

JEFFREY BENJAMIN 2012 FAMILY TRUST

By: /s/ Claudia Slacik
Name: Claudia Slacik
Title: Trustee

HECTOGON FUND L.P.

By: /s/ Daniel Harnetz
Name: Daniel Harnetz
Title: Managing GP

GENERAL MANAGEMENT HOLDINGS LLC

By: /s/ Taylor Harmeling
Name: Taylor Harmeling
Title: Manager

**ANNA MARY VAN BUREN TRUST AGREEMENT DATED
SEPTEMBER 14, 2012**

By: /s/ Anna Van Buren
Name: Anna Van Buren
Title: Trustee

**DAVID CHIH-WEN WANG AND CLAUDIA WANG, TRUSTEES OF
THE WANG FAMILY TRUST, U/D/O DECEMBER 31, 2013**

By: /s/ David Wang
Name: David Wang
Title: Trustee

COSTER REVOCABLE TRUST DATED AUGUST 18, 2015

By: /s/ Michael Coster
Name: Michael Coster
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALJ Regional Holdings, Inc.

By: /s/ Brian Hartman
Name: Brian Hartman
Title: CFO

ALJ REGIONAL HOLDINGS, INC. ANNOUNCES ACQUISITION OF REALTIME DIGITAL INNOVATIONS, LLC, AMENDMENT TO TERM LOAN AND CREDIT FACILITY, FULL-TIME COMMITMENT OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER AND PRELIMINARY THIRD QUARTER 2019 FINANCIAL RESULTS

NEW YORK, NY. July 31, 2019 – ALJ Regional Holdings, Inc. (NASDAQ: ALJJ) (“**ALJ**” or the “**Company**”) announced the following today:

- Acquisition of Realtime Digital Innovations, LLC (“**RDI**”), a business solutions provider focusing on intelligence augmentation, process innovation and user experience.
- In connection with the RDI acquisition, ALJ also announced the closing of an equity private placement raising gross proceeds of \$7.0 million at a premium to the market price of the stock.
- ALJ lowered its guidance for Fiscal 2019.
- ALJ has entered into an amended financing agreement with Cerberus Business Finance, LLC (“**Cerberus**”).
- Jess Ravich, Chairman of the Board, will devote his full time to the management of ALJ as its Chief Executive Officer.

ALJ is a holding company, whose primary assets are its subsidiaries Faneuil, Inc. (“**Faneuil**”), Floors-N-More, LLC, d/b/a Carpets N' More (“**Carpets**”), and Phoenix Color Corp. (“**Phoenix**”). Faneuil is a leading provider of outsourcing and co-sourced services to both commercial and government entities in the healthcare, utility, retail, toll and transportation industries. Carpets is one of the largest floor covering retailers in Las Vegas, Nevada, and a provider of multiple products for the commercial, retail and home builder markets including all types of flooring, countertops, and cabinets. Phoenix is a leading manufacturer of book components, educational materials and related products producing value-added components, heavily illustrated books and specialty commercial products using a broad spectrum of materials and decorative technologies.

Acquisition of RDI

Effective today, ALJ has acquired RDI (the “**Acquisition**”), an exclusive partner of Faneuil for the past 18 months providing workflow automation and business intelligence services. The Acquisition, effective immediately, is expected to provide Faneuil with a sustainable competitive advantage in the business process outsourcing space by allowing it to, among other things, (i) automate process workflows and business intelligence, (ii) generate labor efficiencies for existing programs, (iii) expand potential new client target entry points, (iv) improve overall customer experience, and (v) increase margin profiles through shorter sales cycles and software license sales.

The aggregate consideration for the Acquisition paid at closing was \$2.5 million, with earn-outs in an amount up to \$7.5 million to be paid upon the achievement of certain financial metrics over a three-year period, subject to a guaranteed payout of \$2.5 million. Faneuil plans to consolidate the RDI business under Faneuil’s corporate umbrella.

Faneuil’s President and Chief Executive Officer Anna Van Buren stated, “The acquisition of RDI builds on the valuable relationship we have established over the past 18 months. Working with RDI has delivered significant innovation to our operations and is integral to our growth strategy, industry leadership, and business transformation.”

Jess Ravich, Chief Executive Officer of ALJ, said, "We continue to execute on our strategy of making strategic investments that are accretive to our shareholders and provide long-term growth across the platform. This acquisition is expected to increase Faneuil's margin profile and provides further expansion into new markets."

Private Placement

In connection with the Acquisition, ALJ raised \$7.0 million through the sale of 3.9 million shares of its common stock at \$1.80 per share to certain accredited investors in a private placement. The \$1.80 price per share of common stock represents roughly a 10% premium to the trailing 30-day average closing price of the Company's common stock on NASDAQ. The investors participating in the private placement also received certain warrants to purchase an aggregate of 1.3 million shares of common stock at \$1.80 per share with a two-year term. The Company will use the net proceeds of the private placement to pay the closing consideration for the Acquisition and to repay certain indebtedness under its Cerberus financing facility.

Jess Ravich, Chief Executive Officer of ALJ, said, "The support of this group of sophisticated investors, who are purchasing stock at a premium to market, validates the Company's mission and prospects."

The securities offered in this private placement have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or applicable state securities laws, and accordingly may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws. The Company has also entered into a registration rights agreement with the private placement investors, pursuant to which it agreed, upon satisfaction of certain terms and conditions set forth therein, to file a registration statement with the Securities and Exchange Commission registering the resale of the shares of common stock issued in this private placement and the shares of common stock issuable upon the exercise of the warrants issued in this private placement.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state.

Reduced Guidance for Full Fiscal Year Ending September 30, 2019

ALJ has revised its full fiscal year ended September 30, 2019 guidance and has forecasted sales of approximately \$353.2 million versus \$369.8 million in the prior year comparative period, a decrease of \$16.6 million, or 4.5%. Net loss for the full fiscal year ended September 30, 2019 is forecasted to be \$7.4 million versus \$7.3 million in the prior year comparative period, an increase of \$0.1 million, or 1.3%. Adjusted EBITDA for the full fiscal year ended September 30, 2019 is forecasted to be \$31.0 million versus \$33.1 million in the prior year comparative period, a decrease of \$2.2 million, or 6.5%.

In January 2019, the Company provided Adjusted EBITDA guidance for the fiscal year ended September 30, 2019 in a range of \$34.0 million to \$38.0 million.

For the full fiscal year ended September 30, 2019 cash capital expenditures are forecasted to approximate \$16.0 - \$18.0 million, primarily related to the buildout of three call centers for Faneuil, with cash interest forecasted to approximate \$9.0 million and cash taxes forecasted to approximate \$1.0 million. This guidance is consistent with previous guidance provided in January 2019.

The reduced guidance is primarily due to reduced results at our Faneuil subsidiary. During the quarter there were delays in customer ramp-ups, the wind down of certain contracts and certain other

challenges. These issues will result in lower margins, and resultant EBITDA for both the June and September quarter, with the bulk of the reduction occurring in the June quarter.

Anna Van Buren, Faneuil’s CEO, commented, “During the quarter, several new projects experienced delayed customer driven ramp progressions and one new project faced challenges during the ramp up. The delayed projects will all be up and running during the remainder of 2019 and the challenge faced with regard to the one project has been resolved. In addition, we continue to invest in the talent and infrastructure necessary to support both our revenue growth and our margin improvement. The RDI transaction is one such investment that will help us increase our profit margins. We are also proud to report that Faneuil significantly expanded our commercial business during the quarter with five key new logo wins including multiple BCBS clients and two national healthcare payers.”

Faneuil backlog at June 30, 2019 is estimated to be \$432.0 million versus \$259.0 million in the prior year comparative period, an increase of \$173.0 million, or 66.8%. Faneuil is expected to have nine new contract implementations beginning in the fourth quarter. On an annualized run-rate, these new contracts are expected to generate over \$40 million in additional sales and \$5.0 million in Adjusted EBITDA, which will be recognized in Fiscal 2020.

ALJ expects to provide full third fiscal quarter results on or before August 14, 2019.

In our earnings releases, prepared remarks, conference calls, presentations, and webcasts, we may present certain adjusted financial measures that are not calculated according to generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures are designed to complement the GAAP financial information presented in this release because management believes they present information regarding ALJ that is useful to investors. The non-GAAP financial measures presented should not be considered in isolation from, or as a substitute for, the comparable GAAP financial measure. We present adjusted EBITDA because we believe it is frequently used by analysts, investors and other interested parties in the evaluation of our company. ALJ defines adjusted EBITDA as net (loss) income before depreciation and amortization, interest expense, litigation loss, restructuring expenses, stock-based compensation, acquisition-related expenses, loss (gain) on disposal of assets, other non-recurring items, other income, and provision for income taxes. Adjusted EBITDA measures are not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure for comparison. Below are reconciliations of our net (loss) income, the most directly comparable GAAP measure, to consolidated adjusted EBITDA:

Amounts in \$000's

	Fiscal Year Ended September 30,		\$ Change	% Change
	2019 (unaudited)	2018 (unaudited)		
Net income (loss)	\$ (7,430)	\$ (7,332)	\$ (98)	(1.3%)
Depreciation and amortization	21,053	19,048	2,005	10.5%
Interest expense	11,040	10,558	482	4.6%
Provision for income taxes	4,377	4,209	78	1.8%
Stock-based compensation	742	1,054	(312)	(29.6%)
Lease payments in anticipation of facility shutdown	572	250	322	128.8%
Restructuring expenses	383	2,314	(1,931)	(83.4%)
Loan amendment fees	337	—	337	—
Acquisition-related expenses	97	280	(183)	NM
Litigation loss	—	2,910	(2,910)	NM
Disposal of assets and other gain	(221)	(277)	56	NM
Consolidated Adjusted EBITDA	\$ 30,960	\$ 33,104	(2,154)	(6.5%)

NM - Not Meaningful

Financing Agreement Amendment

ALJ entered into the Fifth Amendment (the “**Fifth Amendment**”) to the Financing Agreement, dated as of August 14, 2015 (as amended and restated from time to time, the “**Financing Agreement**”), by and among the Company, Faneuil, Carpets, Phoenix, each subsidiary of the Company listed as a “Guarantor” on the signature pages thereto, the lenders from time to time party thereto, Cerberus, as collateral agent for the lenders (the “**Collateral Agent**”), and PNC Bank, National Association, as administrative agent for the lenders (the “**Administrative Agent**”). The Fifth Amendment was entered into by the Company in order to support the continued growth of the Company and the associated increase in cash capital expenditures for Faneuil’s buildout of three new customer call centers to support anticipated increased contract awards.

The Fifth Amendment included, among other amendments, the following:

1. The creation of a seasonal revolver facility with \$7.5 million in availability;
2. An increase in the size of the capital expenditure basket allocated for the buildout of three new customer call centers at Faneuil from \$15.0 million to \$18.5 million;
3. An increase in the leverage ratio threshold from 3.50:1.00 to 3.75:1.00 for the fiscal quarters ended September 30, 2019 and December 31, 2019; and
4. Updates to certain definitions, representations and warranties to allow for the Acquisition.

For further details on the Fifth Amendment, please see the Company’s current report on Form 8-K filed with the SEC, dated as of the date hereof.

Full-Time Employment of Jess Ravich as Chief Executive Officer

ALJ is pleased to announce that its Executive Chairman, Jess Ravich, would step down from such role and assume full-time responsibilities as the Company’s Chief Executive Officer. Mr. Ravich will continue to serve as the Company’s Chairman of the Board. As Chief Executive Officer, Mr. Ravich will provide full-time services to assist management of Faneuil, Carpets and Phoenix to grow their earnings and to source and acquire new businesses that provide accretive opportunities for the Company.

John Scheel, Vice Chair of the Company’s Board, said, “We are very excited to announce the transition of Jess Ravich from ALJ’s Executive Chairman to full-time Chief Executive Officer. Given the nature of our business, ALJ’s CEO needs to thrive in a highly dynamic environment, with the capability of accelerating the Company’s growth, and disrupting what needs to change. Jess is unique in his ability to translate vision and strategy into world-class execution, and we are looking forward to ALJ’s growth under his full-time leadership.”

For further details, please see the Company’s current report on Form 8-K filed with the SEC, dated as of the date hereof.

About ALJ Regional Holdings, Inc.

ALJ Regional Holdings, Inc. is the parent company of (i) Faneuil, Inc., a leading provider of outsourcing and co-sourced services to both commercial and government entities in the healthcare, utility, retail, toll and transportation industries, (ii) Floors-N-More, LLC, d/b/a Carpets N’ More, one of the largest floor covering retailers in Las Vegas and a provider of multiple finishing products for commercial, retail and home builder markets including all types of flooring, countertops, and cabinets, and (iii) Phoenix Color Corp., a leading manufacturer of book components, educational materials and related products producing

value-added components, heavily illustrated books and specialty commercial products using a broad spectrum of materials and decorative technologies.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of federal securities laws. Such statements include information regarding our expectations, goals or intentions regarding the future, including but not limited to statements about our financial projections and business growth, expected new customer contract awards and additional volume from existing customers for Faneuil, the impact of planned investments in technology and resources for Faneuil, process improvements and cost reductions implemented by Carpets, the planned volume reductions in packaging by Phoenix, any implication that any of the Company's subsidiaries' backlog is indicative of future operating results, and other statements including the words "will" and "expect" and similar expressions. You should not place undue reliance on these statements, as they involve certain risks and uncertainties, and actual results or performance may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially are discussed in our annual report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (the "SEC") and available through EDGAR on the SEC's website at www.sec.gov. All forward-looking statements in this release are made as of the date hereof and we assume no obligation to update any forward-looking statement.