IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ANAGRAM HOLDINGS, LLC, *et al.*, [1]	)	Case No. 23-90901 (MI)
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

DEBTORS' WITNESS AND EXHIBIT LIST
FOR THE FIRST DAY HEARING ON NOVEMBER 9, 2023

The above-captioned debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases file their Witness and Exhibit List for the virtual hearing to be held on **November 9, 2023 at 3:30 p.m. (prevailing Central Time)** (the "First Day Hearing") as follows:

WITNESSES

The Debtors may call the following witnesses at the First Day Hearing:

1. Mr. Adrian Frankum, Chief Restructuring Officer
2. Mr. Ajay Bijoor
3. Any witnesses called or listed by any other party
4. Any rebuttal witnesses as necessary
5. The Debtors further reserve the right to cross-examine any witness called by any other party

[1] The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors' service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors' chapter 11 cases are not proposed to be consolidated with the Party City debtors which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.,* Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.

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EXHIBITS

Exhibit	Description	Offered	Objection	Admitted
A	Declaration of Adrian Frankum in Support of Debtors' Chapter 11 Petitions and First Day Motions (the "First Day Declaration") [Docket No. 19]			
B	Declaration of Ajay Bijoor in Support of Debtors Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing; (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling A Final Hearing, and (V) Granting Related Relief (the "DIP Declaration") [Docket. No. 8]			
C	First Lien/Second Lien Intercreditor Agreement, dated as of July 30, 2020			
D	Intercreditor Agreement, dated as of May 7, 2021			
E	Indenture, dated as of July 30, 2020			
F	Second Lien Pledge and Security Agreement, dated as of July 30, 2020			
G	Any document or pleading filed in the above-captioned cases			
H	Any exhibit necessary for cross-examination, impeachment and/or rebuttal purposes			
I	Any exhibit identified or offered by any other party			

RESERVATION OF RIGHTS

The Debtors reserve the right to call or to introduce one or more, or none, of the witnesses and exhibits listed above, and further reserves the right to supplement this Witness and Exhibit List at any time prior to the First Day Hearing.

November 8, 2023

Respectfully submitted,

By: */s/ Tom A. Howley*

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Proposed Counsel to the Debtors and the Debtors in Possession

Certificate of Service

I certify that, on November 8, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Tom A. Howley
Tom A. Howley

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
	)	
ANAGRAM HOLDINGS, LLC, *et al.*,[1]	)	Case No. 23-90901 (MI)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

DECLARATION OF ADRIAN FRANKUM
IN SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

Pursuant to 28 U.S.C. § 1746, I, Adrian Frankum, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer (the "CRO") of Anagram Holdings, LLC ("Anagram Holdings"), Anagram International, Inc. ("Anagram International") and Anagram International Holdings, Inc. ("Anagram International Holdings" and, together with Anagram Holdings and Anagram International, the "Debtors," "Anagram," or the "Company"). I have more than 24 years of experience in the restructuring industry and have served as the CRO of the Company since April 2023. I am also a Senior Managing Director at Ankura Consulting Group, LLC. I hold an MBA from NYU Stern School of Business and a BBA from the University of Georgia. I am also a certified public accountant (inactive).

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors' service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors' chapter 11 cases are not proposed to be consolidated with Party City Holdco Inc. ("Party City Holdco") and its affiliate debtors (collectively, "Party City") which emerged from chapter 11 cases in this Court on October 12, 2023. See *In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City Chapter 11 Cases.

2. As CRO, I am responsible for the Company's financial and operational management, and for providing strategic advice to the Restructuring Committee (as defined herein), in connection with the Debtors' restructuring, including these chapter 11 cases and the Sale Process (as defined herein). Based on my tenure with the Debtors, my review of public and nonpublic documents relating to the Debtors, and my discussions with other members of the Debtors' management team and the Debtors' advisors, I am generally familiar with the Debtors' business, financial condition, policies and procedures, day-to-day operations, and books and records.

3. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have gained knowledge of such matters from the Company's employees who report to me in the ordinary course of my responsibilities or the Debtors' advisors. I am authorized by each of the Debtors to submit this declaration (this "Declaration") on their behalf. References to the Bankruptcy Code (as defined herein), the chapter 11 process, and related legal matters are based on my understanding of these matters in reliance on the explanation provided by, and the advice of, counsel. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

4. On November 8, 2023 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Southern District of Texas (the "Court"). The Debtors intend to use these chapter 11 proceedings to consummate a sale of all or substantially all of their assets and have secured a stalking horse credit bid (subject to higher or better offers) that provides for the credit bid of the full amount of both the DIP Notes Facility and

the First Lien Notes, as well as the assumption of all trade claims and the transfer of all employees on terms no less favorable than their current employment terms.

5. To minimize the adverse effects on their business during these chapter 11 cases, the Debtors have filed motions and pleadings seeking various types of "first day" relief (collectively, the "First Day Motions"). I submit this Declaration to assist the Court and parties in interest in understanding the circumstances compelling the commencement of these chapter 11 cases and in support of the Debtors' chapter 11 petitions and First Day Motions filed contemporaneously herewith.

6. To familiarize the Court with the Debtors, their business, the circumstances leading up to these chapter 11 cases, and the relief the Debtors are seeking in the First Day Motions, I have organized this Declaration into five sections:

- **Part I** provides an overview of the Debtors and these chapter 11 cases;
- **Part II** provides background information on Anagram's business and operations;
- **Part III** offers an overview of the Debtors' prepetition corporate and capital structure;
- **Part IV** describes the circumstances leading to the filing of these chapter 11 cases and an overview of the Sale Process (as defined herein); and
- **Part V** summarizes the relief requested in the First Day Motions.

I. Overview[2]

7. Anagram is a leading manufacturer of foil balloons and inflated décor, distributing and selling its products both domestically and internationally. Anagram's customers include party supply specialty stores, grocers, mass marketers, parks, drugstores and discount variety stores.

[2] Capitalized terms not defined in this Overview section shall have the meaning ascribed to such terms in the remainder of this Declaration.

Anagram services its customers both directly, through retailers such as Walmart, Canadian Tire, and Dollar Tree and through key domestic and international distributors. Anagram gained its competitive advantage in the market through its vertically integrated business model, which is supported by approximately 350 employees operating manufacturing, production and distribution facilities encompassing over 500,000 square feet.

8. The Debtors are wholly-owned subsidiaries of Party City Holdings Inc. ("PCHI"), which, together with certain of its affiliates, recently emerged from their own chapter 11 cases before this Court (the "Party City Chapter 11 Cases"). The Anagram Debtors were not "debtors" in the Party City Chapter 11 Cases and were not borrowers or guarantors of any funded debt issued by Party City.

9. Prior to the commencement of the Party City Chapter 11 Cases, Party City's directors and officers also served as directors and officers of Anagram. However, in connection with the filing of the Party City Chapter 11 Cases, Mr. William L. Transier was appointed as an independent director of Anagram and as the sole member of a newly-formed restructuring committee (the "Restructuring Committee"). The Restructuring Committee has sole authority with respect to, among other things, any proposed significant restructuring transactions and the administration of these chapter 11 cases. In March 2023, the Restructuring Committee retained separate advisors for Anagram, namely Simpson Thacher & Bartlett LLP, as legal counsel, and Ankura Consulting Group, as financial advisor. In July 2023, Anagram retained Robert W. Baird & Co. ("Baird") as the Company's investment banker.

10. In 2020, Party City executed a series of transactions whereby, among other transactions not related to Anagram, certain of Party City's noteholders exchanged their Party City notes for the Second Lien Notes and concurrently purchased the First Lien Notes (the "2020

Exchange Transaction"). As a result of the 2020 Exchange Transaction, the Company's current capital structure consists of First Lien Notes in the face amount of $110 million and Second Lien Notes in the face amount of approximately $84.7 million. The Company also has a prepetition ABL Facility with Wells Fargo for $15 million, subject to a borrowing base.

11. Although the Debtors operate largely independently of Party City, with their own customers, employees, vendors, and debt facilities, the Debtors' business remains connected to Party City. The parties' relationship is governed by three (3) critical intercompany contracts (collectively, the "Anagram-Party City Contracts"), including the (i) Services Agreement; (ii) IP Cross-License Agreement; and (iii) the Supply Agreement, each of which were entered into on July 30, 2020 in connection with the 2020 Exchange Transaction. In May 2023, Party City moved to reject the Anagram-Party City Contracts in its chapter 11 cases, which has put additional pressure on the Debtors' operations and on the restructuring negotiations. The proposed rejection remains pending in the Party City Chapter 11 Cases.

12. Since 2020, the Debtors have continued to encounter financial challenges resulting from, among other things, unsustainable levels of debt on their balance sheet, the COVID-19 pandemic and its lingering effects, and cash distributions from the Company to Party City. Moreover, global inflation and helium shortages have exacerbated these challenges and have further strained the Debtors' liquidity. The Company's adjusted EBITDA declined from approximately $52 million in 2021 to approximately $29 million in 2022.

13. Faced with these operational and business challenges, the Debtors explored restructuring alternatives. The Debtors' restructuring efforts have been overseen by the Restructuring Committee. The Debtors and their advisors engaged in extensive discussions with an *ad hoc* group holding approximately 60% of the Debtors' First Lien Notes and more than 50%

of the Debtors' Second Lien Notes (the "Ad Hoc Group") as well as other creditors that are not part of the Ad Hoc Group, on restructuring alternatives, including deleveraging, financing and other non-sale transactions. Ultimately, the Debtors and their constituents were unable to reach consensus on a reorganization transaction.

14. As a result, the Debtors pivoted to pursue a sale transaction to maximize value for the benefit of all of the Debtors' constituents. To that end, in early October, the Debtors and Baird, at the direction and under the guidance of the Restructuring Committee, commenced a robust marketing process (the "Sale Process") for all or substantially all of the Debtors' assets, which the Debtors intend to complete over the course of these chapter 11 cases. The Ad Hoc Group submitted a credit bid for the Debtors' assets through a newly formed entity that, following negotiations with the Debtors, was accepted as a stalking horse bid (the "Stalking Horse Bid", and such bidder, the "Stalking Horse Bidder"). The Stalking Horse Bid is now supported by holders of almost 100% of the First Lien Notes.

15. Pursuant to the Stalking Horse Asset Purchase Agreement (the "Stalking Horse APA"), the Stalking Horse Bidder has agreed to, among other terms:

- credit bid the full amount of the DIP Notes Facility and First Lien Notes totaling approximately $168.4 million;
- offer employment to all of the Debtors' employees on terms no less favorable than their current terms;
- assume all of the Debtors' pre and post-petition trade payables and operating expenses;
- pay off or assume the DIP ABL Facility;
- provide a minimum of $1.5 million of cash to wind down the Debtors' estates; and
- pay cure costs relating to all assumed contracts.

16. The Debtors will continue to seek higher or better offers for their assets from potential buyers. To that end, contemporaneously herewith, the Debtors have filed a motion seeking approval of bidding and auction procedures to govern the Sale Process (the "Bidding Procedures"). Pursuant to the Bidding Procedures, all interested parties will have the opportunity to continue to bid for the Debtors' business and assets on the timeline set forth therein.

17. The Debtors have also been working diligently to establish themselves, as soon as possible, as a standalone business that does not rely on Party City for administrative support services. Specifically, the Debtors have been working to procure their own information technology ("IT") systems, as well as to administer their own human resource functions (e.g., payroll and benefits), licensing programs, logistics, legal matters and insurance programs among other work streams. The Debtors have also been assessing their vendor and customer contract portfolio to determine whether new standalone contracts will be needed once the Debtors are separated from Party City. While the transition process is underway, it is not yet complete. Until then, the Debtors need to avail themselves of the protections provided by the Bankruptcy Code.

18. To obtain the liquidity needed to fund these chapter 11 cases and the Sale Process, following an extensive marketing process, the Debtors have secured (i) commitments from holders of almost 100% of the First Lien Notes – and over 50% of the Second Lien Notes – for a $22 million debtor-in-possession notes facility (the "DIP Notes Facility") conditioned on, among other terms, satisfying certain milestones in respect of the Sale Process timeline (the "DIP Milestones") and (ii) a commitment from the ABL Lender to allow the Debtors to have continued access to the Debtors' existing $15 million ABL Facility after the Petition Date, subject to certain modifications that are set forth in the DIP Orders (as so modified, the "DIP ABL Facility" and, together with the

DIP Notes Facility, the "DIP Facilities"). Key terms of the DIP Facilities are described more fully in the DIP Motion filed contemporaneously herewith.

19. The Bidding Procedures contemplate the following proposed timeline in compliance with the DIP milestones and the Stalking Horse APA ("APA Milestones"):

Event	Proposed Date	APA Milestone	DIP Milestone
Bid Procedures Hearing	Friday, Nov. 17	N/A	Nov. 29, 2023
IOI Deadline	Friday, Nov. 20	N/A	N/A
Final Bid Deadline	Thursday, Nov. 30	N/A	N/A
Auction	Tuesday, Dec. 5	Dec. 15, 2023	N/A
Final DIP Approval	Wednesday, Dec. 6	N/A	Dec. 13, 2023
Sale Objection Deadline	Monday, Dec. 11	N/A	N/A
Sale Hearing	Monday, Dec. 18	Dec. 22, 2023	Jan. 15, 2024
Sale Closing	Friday, Dec. 29	Dec. 29, 2023	Jan. 28, 2024

20. The Sale Process began approximately five (5) weeks prior to the Petition Date. Accordingly, the timeline proposed by the Debtors minimizes the adverse impact on the Debtors' operations, vendors, and employees, while still providing adequate opportunity to secure executable bids for the Debtors' assets for the highest or best value. The amount of work accomplished prepetition by the Debtors and their advisors in connection with the Sale Process enhances the Debtors' ability to complete the Sale Process on the timeframe proposed and does not prejudice parties in interest. The Debtors are confident that parties who are the most likely participants in the sale process are either already involved in, or aware of, the Sale Process or will have adequate time to participate. The Debtors believe that proceeding with the Sale Process is preferable to any other alternative and will maximize the value of their estates and inure to the benefit of all constituents, including their employees.

II. Anagram's History and Operations

A. Corporate History

21. Anagram was founded in 1978 by Garry Kieves, in Eden Prairie, Minnesota. In 1980, Anagram became the first company to manufacture "message" balloons. In subsequent years, Anagram added new products to its offerings, including (i) "airwalkers," attention-drawing, large, full-body shape balloons, (ii) "insiders," one balloon inside another, and (iii) "panoramic" balloons, or foil balloons with full-color images or scenes printed on them. In 1998, Anagram was acquired by Amscan Inc. ("Amscan"), an importer and distributor of party goods, and Amscan eventually became a subsidiary of PCHI.

22. In 2015, Party City Holdco, the ultimate parent company of PCHI, Amscan and Anagram, conducted an initial public offering, listing its shares on the New York Stock Exchange under the symbol "PRTY." Pursuant to the plan of reorganization confirmed in the Party City Chapter 11 Cases ("Party City's Chapter 11 Plan")[3], the existing common stock was cancelled and Party City issued its new equity interests to its creditors, a substantial majority of which is now held by Party City's prepetition noteholders.

B. Anagram's Business and Operations

23. For the year ended December 31, 2022, over 85% of Anagram's products were designed as helium-filled foil balloons with the balance comprised of air-filled foil balloon accessories. The Debtors market their products to various types of customers in over 40 countries. Broad distribution channels have provided Anagram with access to diversified revenue streams and end-use customers. With a product portfolio that ranges from products sold for as low as $1

[3] See *In re Party City Holdco Inc.*, Case No. 23-90005 (Docket No. 1711).

at certain discount variety stores to deluxe foil balloon products retailing for approximately $30, the Debtors are able to deliver products across the consumer value chain.

24. The Debtors primarily conduct their operations at two (2) facilities: (i) a 110,000 sq. ft. corporate headquarters office, manufacturing and printing facility (the "Manufacturing Facility") in Eden Prairie, Minnesota and (ii) a 391,000 sq. ft. distribution facility in Bloomington, Minnesota (the "Distribution Facility" and, together with the Manufacturing Facility, the "Facilities"). The Debtors employ approximately 350 employees at the Facilities.

1. Vertical Integration

25. Anagram's business is vertically integrated in terms of product design, engineering, manufacturing and merchandising, allowing the Company to capture efficiencies across the supply chain and support the Company's capacity to focus on key priorities, including: (i) design and innovation; (ii) exclusive licensing arrangements; and (iii) a diversified customer-base which includes key partnerships with domestic and international distributors.

A. Design and Innovation

26. The Debtors have achieved their leading market position organically through continued product innovation and production refinement, as well as research and development to adapt to changes in customer preferences. Aside from certain overseas supply agreements, the vast majority of Anagram's products are manufactured at the Manufacturing Facility in Eden Prairie, Minnesota. The centralized manufacturing approach, combined with the skills of experienced long-term employees, foster early collaboration between disciplines that has contributed to significant efficiencies and synergies regarding new product design and development, factory automation, reduced manufacturing waste and sustainable manufacturing processes.

27. The advancements in Anagram's product development coupled with automation in its manufacturing process and a shorter domestic supply chain have contributed to Anagram maintaining a leading position in the marketplace.

B. License Agreements

28. Anagram is a licensee of popular characters of well-known brands, including Disney. Through the IP Cross-License Agreement with Party City, Anagram has access to additional licensing arrangements with popular brands and characters, including the National Football League, National Hockey League, Nintendo, Marvel, Barbie, Hot Wheels Monster Trucks and Thomas & Friends.

29. To capitalize on its exclusive access to these household names, Anagram's creative team develops products to enhance the unique attributes associated with the particular license. Anagram's engineering and manufacturing teams collaborate to optimally and efficiently design and produce the product and Anagram's merchandizing team develops displays to enhance marketing at the retail point of sale.

2. Product Manufacturing

30. For the year ended December 31, 2022, Anagram manufactured more than 80% of its products (including products sold to Party City) at the Manufacturing Facility. The Manufacturing Facility is highly automated and its products are produced at globally competitive costs. State-of-the-art printing, forming, folding and packaging equipment support most of the Debtors' manufacturing operations. Average size and sales volume allow Anagram to operate its manufacturing equipment on a 24-7 basis, thus lowering production costs per unit. Anagram also uses available capacity to manufacture products for third parties, which allows Anagram to maintain an appropriate level of equipment utilization.

31. The Debtors are also known for extremely robust product safety policies and procedures, their partnerships with third party labs and state of the art in-house safety testing program. The Debtors' in-house engineering team is dedicated to quality and safety that provides confidence to its distributors and downstream retail customers.

3. Product Distribution and Market Channels

32. The Debtors' distribution network is a key competitive strength in its vertically integrated model. Over the past several decades, the Debtors have built a robust distribution network that includes the following five (5) key channels:

Channel	Description
Party City	Sales to Party City in accordance with the Supply Agreement
Distributors	Sales to North American distribution companies with end markets of grocers, party stores and decorators
Value	Sales to discount value goods and "dollar store" customers
Mass	Sales to large box stores and similar retailers
International	Sales to (i) Europe, (ii) Mexico (through Convergram), (iii) Asia, (iv) the Middle East and (v) South Africa through a wide network of international distributors

33. The Distribution Facility serves as the Debtors' main distribution point for direct retail customers and domestic and international distributors. The state-of-the-art facility utilizes an inventory management system that facilitates turnaround times as short as 48 hours (for in-stock products) and maintains strong fill rates. From the Distribution Facility, the Debtors ship products directly to retailers and distributors throughout the world. The Debtors also utilize a bypass system for some of its Party City orders, which allows them to ship products directly from selected third-party suppliers to its Company-owned warehouses, thus bypassing the Distribution

Facility. In addition to lowering Anagram's distribution costs, this bypass system enhances Anagram's warehouse capacity.

34. The Debtors maintain longstanding business relationships with a number of its top distributor customers who have come to rely on the Debtors' foil balloon products. Further, throughout its history, the Debtors have built important infrastructure to support its distribution network, with in-house customer service and merchandising experts to support field operations and promote the brand's success.

35. Anagram has benefited from key strategic alliances in targeted regions around the globe in achieving its market penetration, including its joint venture in Convergram[4] with a leading Mexican foil balloon manufacturer, Convertidora, to distribute foil balloons principally in Mexico and Latin America. In June 2018, Anagram entered into a supply agreement with Chaoan Hengsheng Industrial Co., Ltd. ("Hengsheng"), a Chinese manufacturer, pursuant to which Hengsheng supplies balloons (mainly shaped as large numbers, "0" through "9") to Anagram.

4. Intellectual Property

36. The Debtors have developed proprietary technologies that they believe provides an advantage in the balloon industry in which the Debtors operate. The Debtors seek to protect their intellectual property rights, including their intellectual property rights in these proprietary technologies, through patent, trademark, copyright and trade secret laws, as well as confidentiality agreements and other contractual provisions to restrict access to and disclosure of their intellectual property. In the aggregate, Anagram's intellectual property rights have significant value and are important to the strength of its brand and the favorable perception of its products.

[4] *See*, Management and Ownership Agreement, dated November 30, 2022, by and among Convertidora Industrial, S.A.B de C.V. ("**Convertidora**"), Convergram de Mexico S. de R. L. ("Convergram"), Amscan Holdings, Inc. and Anagram International.

37. As of the Petition Date, Anagram collectively owns approximately 27 domestic and international patents, 130 foreign and international trademarks, and 206 copyrights.

C. The Anagram-Party City Agreements

38. Despite the Company's unique competitive advantages related to the actual development, marketing and manufacturing of its products, the Anagram-Party City Agreements still remain critical in supporting the Company during this transition process, particularly as it relates to ensuring uninterrupted business operations and sustaining the revenue streams necessary to support the business on a day-to-day basis.

39. Pursuant to the Services Agreement (as amended, restated or otherwise modified from time to time, the "Services Agreement"), PCHI provides an array of services to Anagram, including (i) general administration, (ii) tax, internal audit, and legal support, (iii) accounting consultation and compliance support, (iv) human resources information systems and payroll systems services, including system changes and process enhancement, (vi) general insurance, health insurance, and workers' compensation, each including premiums and claims, (vii) real property rent (including the rent attributable to the master lease agreement underlying the Manufacturing Facility), (viii) IT services, including any underlying IT licenses to run software/programs, and (ix) sales people services directly dedicated to the sale of balloons. Additionally, pursuant to the Services Agreement, the Debtors provide certain reverse services to PCHI, including electronic data interchange programmers.

40. Pursuant to the IP Cross-License Agreement (as amended, restated or otherwise modified from time to time, the "IP Cross-License Agreement"), PCHI, on behalf of itself and the other Party City affiliates, grants to Anagram a non-exclusive license to all intellectual property (whether now or hereafter acquired) owned by Party City and used by Anagram in its business. In return, Anagram International, on behalf of itself and the Company, grants to Party City a non-

exclusive license to all intellectual property (whether now or hereafter acquired) owned by the Company and used by Party City in its business.

41. Additionally, under the IP Cross-License Agreement, PCHI agreed to keep existing arrangements in place with respect to any intellectual property that (i) PCHI licenses from a third party and (ii) permits Anagram to use as of the date of the IP Cross-License Agreement. For any third-party intellectual property licensed by Party City after the date of the IP Cross-License Agreement, PCHI and Anagram International agree to use reasonable best efforts to negotiate an arrangement pursuant to which Anagram is permitted to use such third-party intellectual property licensed to Party City. The IP Cross-License Agreement contains similar provisions in favor of Party City with respect to Anagram's third-party intellectual property. Both PCHI and Anagram International agree not to (except in the ordinary course of business) terminate or amend any third party license agreement of the type described above in a manner that would adversely affect the other party's ability to use the applicable third party license agreement without reasonable prior notice and consultation with the other party.

42. Pursuant to the Supply Agreement (as amended, restated or otherwise modified from time to time, the "Supply Agreement"), Amscan designates Anagram International as its primary supplier of balloons and agrees to purchase from Anagram International, and Anagram International agrees to supply to Amscan, on an annual basis (i) a minimum of 95% of PCHI's aggregate U.S. dollar or U.S. dollar-equivalent purchases of foil balloons for the domestic market and (ii) a minimum of 70% of Amscan's and certain of its affiliates' aggregate U.S. dollar-equivalent purchases of foil balloons for the international markets. PCHI guarantees Amscan's obligations under the Supply Agreement. If Amscan does not fulfill the total annual purchase commitments described above in any given year, it agrees to pay any shortfall to Anagram

International in cash, through additional balloon orders or a mix of both. The total annual purchase commitments are subject to reasonable pro rata downward adjustment in the event of a material adverse change to Anagram International's portfolio of licenses (or other rights) to sell balloons bearing or using third-party intellectual property.

43. If the Anagram-Party City Contracts are terminated or breached by Party City, Party City is obligated to pay to Anagram International $40 million in termination fees. Under Party City's Chapter 11 Plan, if the Anagram-Party City contracts are rejected, such termination fees will be treated as pre-petition general unsecured claims that will receive a *de minimis* recovery.

44. Party City accounts for approximately 38% of the Debtors' sales. Moreover, the products that the Debtors market through their rights under the IP Cross-License Agreement comprise a significant portion of the Company's revenues. For context, for the year ended December 31, 2022: (i) balloon sales associated with licenses owned by Anagram accounted for approximately $12.3 million, or 6%, of total gross sales, and (ii) sales of licensed products, in which the licenses are owned by Party City, comprised approximately $25 million, or 12% of total gross sales.

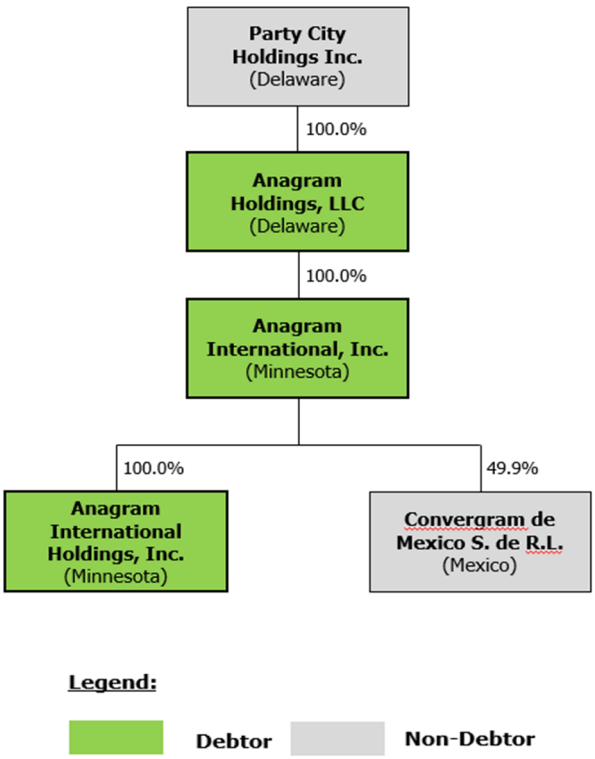
III. Anagram Prepetition Corporate and Capital Structure

A. Anagram's Corporate Structure

45. Anagram Holdings, a Delaware limited liability company, is a wholly-owned subsidiary of PCHI. Anagram International, a Minnesota corporation, is a wholly-owned subsidiary of Anagram Holdings and the entity through which the Debtors conduct their operations. Anagram International Holdings, a Minnesota corporation, is a wholly-owned subsidiary of Anagram International.[5] Through a joint venture agreement with Convertidora,

[5] Anagram International Holdings is dormant and does not conduct any operations.

Anagram International also owns 49.9% of the outstanding equity interests of Convergram. The following chart depicts the Debtors' corporate organizational structure:



B. Anagram Governance and Management

46. After the 2020 Exchange Transaction, Party City continued to control Anagram as a wholly-owned subsidiary. Prior to December 6, 2022, the directors and senior management of Anagram were also directors and/or senior management, as applicable, of Party City. On December 6, 2022, in light of the impending Party City Chapter 11 Cases, Mr. Transier was appointed as the independent director for each of Anagram Holdings, Anagram International and Anagram International Holdings (the "Independent Director") and was designated to serve on the Restructuring Committee upon its formation. The Restructuring Committee was granted authority with respect to, among other things, any proposed significant restructuring transactions and the administration of these chapter 11 cases. Currently, the Independent Director is the sole manager

of Anagram Holdings. The boards of directors of Anagram International and Anagram International Holdings each consist of two members: (i) the Independent Director and (ii) Mr. Steven Collins.

47. On March 23, 2023, certain officers of Anagram that were also officers of Party City resigned from their roles at the Debtors. On April 26, 2023, I was appointed by the Independent Director as the CRO of each of the Debtors and serve alongside Christopher Wiles, the Debtors' VP of Finance, who is responsible for overseeing the financial activities of the Debtors.

C. Debtors' Capital Structure[6]

48. As of the date hereof, the Debtors have approximately $240.4 million in total funded debt obligations. The outstanding amounts and priorities of each debt obligation are as follows:

Funded Debt	***Maturity***	***Approximate Principal Amount Outstanding* (in millions)**
ABL Facility	May 2024	$6.2
First Lien Notes	August 2025	$125.3
Second Lien Notes	August 2026	$108.9
Total Funded Debt Obligations		**$240.4**

1. Secured Indebtedness

A. ABL Facility

49. On May 7, 2021, Anagram Holdings and Anagram International, as borrowers, entered into a Credit Agreement (as amended, restated, supplemented, or otherwise modified as of

[6] The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of the Debtors' obligations and any related agreements.

the Petition Date, the "ABL Credit Agreement") with certain lenders (the "ABL Lenders") and Wells Fargo Bank, National Association, as agent (the "ABL Agent"), establishing a $15 million asset-based revolving credit facility (the "ABL Facility"). The ABL Facility is guaranteed by Anagram International Holdings. The ABL Facility provides for revolving loans, subject to a borrowing base comprised of eligible receivables and inventory. As of the Petition Date, approximately $6.2 million is outstanding under the ABL Facility. The ABL Facility has a stated maturity of May 7, 2024.

50. Pursuant to that certain Guaranty and Security Agreement, dated as of May 7, 2021, among the Debtors and the ABL Agent (as amended, the "ABL Security Agreement"), and in accordance with the ABL/Notes Intercreditor Agreements (as defined below), the ABL Facility is secured by a lien on substantially all of the Debtors' assets and property (the "Prepetition Collateral"), including: (i) a first priority lien on including, (with certain exceptions) inventory and accounts receivable (the "ABL Priority Collateral") and (ii) a junior lien on the Debtors' real property, intellectual property, equipment, and fixtures (the "Notes Priority Collateral"). Anagram's equity interest in Convergram and Convergram's assets are excluded from the Prepetition Collateral.

B. First Lien Notes

51. On July 30, 2020, Anagram International and Anagram Holdings (collectively, the "Anagram Issuers") issued $110 million in aggregate principal amount of 15.00% PIK/Cash Senior Secured First Lien Notes due 2025 (the "First Lien Notes"). The First Lien Notes were issued pursuant to the Indenture, dated as of July 30, 2020 (as amended, restated or otherwise modified from time to time, the "First Lien Notes Indenture"), among the Anagram Issuers, as co-issuers, Anagram International Holdings, as a guarantor, and Ankura Trust Company, as predecessor trustee and collateral trustee (together with its successor Computershare Trust Company, National

Association, the "First Lien Notes Trustee"). The First Lien Notes accrue interest at (i) a rate of 10.00% per annum, payable in cash and (ii) a rate of 5.00% payable in kind by capitalizing such interest payment and increasing the aggregate principal amount of the First Lien Notes by the amount thereof ("PIK Interest"). As of the Petition Date, approximately $125.3 million in aggregate principal amount of First Lien Notes remains outstanding. The First Lien Notes have a stated maturity of August 15, 2025.

52. Pursuant to that certain First Lien Pledge and Security Agreement, dated as of July 30, 2020, among Debtors and the First Lien Notes Trustee (as amended, the "First Lien Notes Security Agreement"), and in accordance with the Intercreditor Agreements (as defined below), the First Lien Notes are secured by a lien on the Prepetition Collateral, including (i) a first priority lien on the Notes Priority Collateral and (ii) a junior lien on the ABL Priority Collateral.

C. Second Lien Notes

53. On July 30, 2020, the Anagram Issuers issued approximately $84.7 million in aggregate principal amount of 10.00% PIK/Cash Senior Secured Second Lien Notes due 2026 (the "Second Lien Notes" and, together with the First Lien Notes, the "Notes"). The Second Lien Notes were issued pursuant to the Indenture, dated as of July 30, 2020 (as amended, restated or otherwise modified from time to time, the "Second Lien Notes Indenture" and, together with the First Lien Notes Indenture, the "Indentures"), among the Anagram Issuers, as co-issuers, Anagram International Holdings, Inc., as guarantor, and Ankura Trust Company, as trustee and collateral trustee (together with its successors, the "Second Lien Notes Trustee"). Interest on the Second Lien Notes accrues at (i) a rate of 5.00% per annum, payable, at the Anagram Issuers' option, entirely in cash or entirely as PIK Interest; and (ii) a rate of 5.00% per annum of PIK Interest, in each case, payable semi-annually in arrears on February 15 and August 15 of each year, provided that on August 15, 2025, interest is required to be PIK Interest. As of the Petition Date,

approximately $108.9 million in aggregate principal amount of Second Lien Notes was outstanding. The Second Lien Notes mature on August 15, 2026.

54. Pursuant to that certain Second Lien Pledge and Security Agreement, dated as of July 30, 2020, among the Debtors and the Second Lien Notes Trustee (as amended, the "Second Lien Security Agreement"), and in accordance with the Intercreditor Agreements (as defined below), the Second Lien Notes are secured by a lien on the Prepetition Collateral, including (i) a second priority lien on the Notes Priority Collateral and (ii) a lien on the ABL Priority Collateral, which lien is junior to the lien of the ABL Lenders and the holders of the First Lien Notes (the "First Lien Noteholders") on such collateral.

D. Intercreditor Agreements

55. The relative rights and priorities of the ABL Lenders, the First Lien Noteholders and the holders of the Second Lien Notes (the "Second Lien Noteholders" and, together with the First Lien Noteholders, the "Noteholders") are governed by the Intercreditor Agreement (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "ABL/Notes Intercreditor Agreement"), dated as of May 7, 2021, among the Debtors, the ABL Agent, the First Lien Notes Agent and the Second Lien Notes Agent. Pursuant to the ABL/Notes Intercreditor Agreement, (i) the ABL Lenders' lien on the ABL Facility Priority Lien Collateral ranks senior to the lien of the Noteholders on such collateral and (ii) the Noteholders' lien on the Notes Priority Collateral ranks senior to the lien of the ABL Lenders on such collateral. Additionally, pursuant to the ABL/Notes Intercreditor Agreement, the Noteholders are deemed to have consented to any debtor in possession financing consented to by the ABL Lenders which is secured by ABL Priority Collateral.

56. The relative rights and priorities of the First Lien Noteholders and the Second Lien Noteholders are governed by the First Lien/Second Lien Intercreditor Agreement (as amended,

restated, amended and restated, supplemented, or otherwise modified from time to time, the "1L/2L Notes Intercreditor Agreement" and, together with the ABL/Notes Intercreditor Agreement, the "Intercreditor Agreements"), dated as of July 30, 2020, among the First Lien Notes Trustee and the Second Lien Notes Trustee. The 1L/2L Notes Intercreditor Agreement provides that, with respect to the Prepetition Collateral, the First Lien Noteholders' lien ranks senior to that of the Second Lien Noteholders. The 1L/2L Notes Intercreditor Agreement further provides that Second Lien Noteholders are deemed to have consented to any debtor-in-possession financing consented to by the First Lien Noteholders which is secured by the Prepetition Collateral. The 1L/2L Notes Intercreditor Agreement provides that the First Lien Noteholders and Second Lien Noteholders may credit bid in connection with the sale of the Prepetition Collateral, subject to the terms and limitations set forth in the 1L/2L Intercreditor Agreement.

57. The relative priorities of liens with respect to the Prepetition Collateral as of the Petition Date is summarized in the following table:

ABL Priority Collateral	Notes Priority Collateral
1. ABL Lenders	1. First Lien Noteholders
2. First Lien Noteholders	2. Second Lien Noteholders
3. Second Lien Noteholders	3. ABL Lenders

2. Unsecured Debt

58. In the ordinary course of business, the Debtors incur trade credit on varying terms. As of the Petition Date, the Debtors estimate there is approximately $8.6 million in general unsecured claims outstanding.

3. Equity Ownership

59. All of the existing equity interests in Anagram Holdings are owned by PCHI.

IV. Events Leading to These Chapter 11 Cases

60. Several factors have contributed to the Debtors' decision to commence these chapter 11 cases and market their assets, including the lingering effects of the COVID-19 pandemic coupled with helium shortages and inflation, liquidity challenges. In the months leading up to the chapter 11 cases, the Debtors explored various different strategic initiatives, but ultimately concluded that the sale of the Debtors' assets in chapter 11 was the optimal path to maximize value of the Debtors' estates.

A. Challenges to Debtors' Business & Liquidity Constraints

61. The Debtors' business was significantly impacted by the COVID-19 pandemic, as demand for gathering-oriented party products, like the balloons that the Company manufactures, plummeted. The impacts of the COVID-19 pandemic led to reduced order flow and employee furloughs during the period April to August 2020, thus forcing the Company to seek incremental liquidity to operate its business, fund its debt, and service its commercial and other obligations.

62. Additionally, a global shortage of helium gas due primarily to decreased market supply from major producers has resulted in increased helium prices, which has negatively impacted the Company's bottom line. The Company's sales of foil balloons to consumer products purchasers at wholesale typically decline as the supply of helium decreases and the price increases.

63. Similarly, overall global inflation has negatively affected the Company's operating margins. The elevated costs of raw materials, inventory, direct labor wages and other services have increased pressure on the Company without a corresponding ability to meaningfully raise prices to levels that effectively offset inflation (i.e., lower margins). Given both market standards and contractual provisions with certain of its wholesale customers, the Company typically only increases prices of its consumer products offerings once per year (except for 2021 when prices were increased twice over the year).

64. These operational challenges, in turn, placed a significant strain on the Debtors' liquidity. While the 2020 Exchange Transaction provided the Debtors with some incremental liquidity to support its operations and weather the COVID-19 pandemic, the relief was limited. In May 2021, the Company entered into the ABL Facility to obtain additional liquidity for its operations, but the additional liquidity infusion still proved insufficient to fully offset the excess debt and other significant headwinds the Company has faced.

65. Certain intercompany transactions between the Debtors and Party City have also placed additional pressure on the Debtors' liquidity. In August 2022, Party City borrowed $22 million from the Debtors through an intercompany loan pursuant to a promissory note (as amended, restated, supplemented, or otherwise modified as of the Petition Date, the "**Intercompany Promissory Note**") which has not been satisfied and will be treated as a general unsecured claim under Party City's Chapter 11 Plan. Subsequently, in March 2023, the Debtors also discovered that Party City has overcharged them for reimbursements related to Party City's group tax payments aggregating approximately $7 million.

B. Unsustainable Capital Structure

66. In July 2020, during the COVID-19 pandemic, Party City implemented the 2020 Exchange Transaction, which increased the Debtors' leverage.[7] Specifically, Party City commenced an offer to exchange ("**Exchange Offer**") any and all of Party City's then existing unsecured notes ("**Existing PC Debt**") for, among other things, the Second Lien Notes to be issued

[7] More information concerning the 2020 Exchange Transaction can be found in Party City's filings with the Securities and Exchange Commission in connection with the 2020 Exchange Transaction. *See, e.g.*, Party City Holdco Inc., Form 8-K, June 29, 2020, available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0001592058/000119312520191451/d104395d8k.htm; Party City Holdco Inc., Form 8-K, July 27, 2020, available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0001592058/000119312520199059/d53343d8k.htm.

by Anagram, and commenced a rights offering ("Rights Offering") permitting holders of Existing PC Debt to subscribe to First Lien Notes to be issued by Anagram. As a result of the Exchange Offer and Rights Offering, Anagram issued $110 million aggregate principal amount of First Lien Notes and $84.7 million aggregate principal amount of Second Lien Notes, increasing the Company's overall indebtedness by approximately $194.7 million.

67. Given the financial and operational challenges that the Debtors have faced since the 2020 Exchange Transaction, the Debtors' existing capital structure is unsustainable. The Debtors have attempted to negotiate a deleveraging transaction that would not involve the sale of the Debtors' business, but have been unsuccessful.

C. Relationship with Party City

68. Over the last few months, the Debtors' relationship with Party City has become strained, predominantly due to: (i) Party City's failure to repay the Intercompany Promissory Note (ii) Party City's overcharging of the Debtors for tax liabilities and (iii) Party City's threatened rejection of the Anagram-Party City Contracts. These disputes have dealt significant blows to the Debtor's operating liquidity and debt service capacity, and continue to threaten the Debtors' operations.

1. Party City Promissory Note

69. Party City Holdco and Anagram International agreed to the Intercompany Promissory Note in August 2022, prior to Anagram's appointment of the Independent Director. As of the date hereof, Party City has not made any repayments for the $22 million amount outstanding under the Intercompany Promissory Note, and as a result of the Party City Chapter 11 Cases, Anagram expects to receive little or no recovery on account of the Intercompany Promissory Note.

2. Overpayment of Taxes to Party City

70. Party City pays taxes as a consolidated group that includes Anagram, as a wholly-owned subsidiary. Historically, pursuant to an undocumented arrangement, Party City would have Anagram reimburse it each tax year an amount equal to the lesser of (i) the amount of taxes that Anagram would have paid for such year had it been an independent tax payer and (ii) the amount actually payable by the entire Party City tax group. However, on or around March 23, 2023, Party City informed the Debtors that Party City had miscalculated the Debtors' liability under this arrangement for the 2020, 2021 and 2022 tax years. Specifically, Party City overcharged Anagram by approximately $7 million for those tax years (the "Tax Overpayment") and set off those amounts against amounts owing to the Company pursuant to the Supply Agreement.

71. The Tax Overpayment placed downward pressure on the Debtors' liquidity, which could have, in turn, triggered cash dominion provisions and other lender rights under the Debtors' funded indebtedness. More significantly, the Tax Overpayment caused the Debtors to breach certain covenants under its ABL Facility, First Lien Notes and Second Lien Notes, each of which limited the amount of dividends and distributions the Company could make to Party City for the reimbursement of taxes. On March 30, 2023, the Company notified the ABL Agent, the First Lien Notes Trustee and the Second Lien Notes Trustee of the defaults by delivery of an applicable notice of default. In April 2023, the Company obtained waivers of the defaults and potential defaults from the ABL Agent and the Ad Hoc Group.

3. Anagram-Party City Contracts

72. As stated, on May 24, 2023, Party City filed a *Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases* (P.C. Docket No. 1207)[8] (the "Rejection Notice"),

[8] Filings on the docket of the Party City Chapter 11 Cases are cited as "P.C. Docket No."

listing the Anagram-Party City Contracts as contracts to be rejected. On June 22, 2023, the Anagram Debtors objected to the proposed rejection of the Anagram-Party City Contracts (P.C. Docket No. 1329).

73. In the months following Party City's filing to reject the Anagram-Party City Contracts, Party City indicated that it wanted to renegotiate the terms of the Anagram-Party City Contracts. Over the summer of 2023, the Debtors, Party City, and their respective noteholder groups engaged in negotiations (including the exchange of multiple proposals) over the terms of amendments to the Anagram-Party City Contracts. The parties ultimately reached an agreement in principle, which generally maintained the current relationship between Party City and Anagram, subject to certain contract modifications, while allowing Party City and Anagram to separate their operations in an organized manner, giving each party assurance that the other would continue to perform key services over an agreed time period. Unfortunately, soon after the parties reached this settlement in principle, Party City unexpectedly reversed course and has not meaningfully engaged in a consensual resolution—thus, resurrecting the possibility that Party City would reject the Anagram-Party City Contracts.

74. The Rejection Notice is still pending in Party City's Chapter 11 Cases. Rejection of the Anagram-Party City Contracts would be incredibly detrimental to the Debtors' business. Any interruption in the delivery of essential services to the Debtors would be devastating to the Debtors' operations because the Debtors have not yet completed the transition process.

75. The Anagram Debtors have paid Party City all amounts due under the Anagram-Party City Contracts in the ordinary course and intend to continue to do so. To date, the Debtors have not made any progress with Party City on the terms of amended Anagram-Party City Contracts. Although the Debtors are endeavoring to transition various administrative functions

away from Party City and solidify themselves as a standalone business operation, that process is still ongoing. At this juncture, rejection of the Anagram-Party City Contracts would have an incredibly detrimental effect on the Debtors' business and impose a material threat to Anagram's ability to continue normal business operations.

C. Prepetition Exploration of Restructuring Transactions and Negotiations

76. Since the beginning of 2023, the Debtors, under the guidance of the Restructuring Committee, have engaged in discussions with the Ad Hoc Group, represented by Milbank LLP as counsel, and Houlihan Lokey Capital, Inc., as financial advisor as well as with the ABL Lenders and other creditors. The Debtors also engaged with Party City and its advisors, as well as an ad hoc group of holders of Party City's notes (the "PC Noteholder Group") and the PC Noteholder Group's advisors.

77. In the months prior to the Petition Date, while the Debtors were working to resolve the issues relating to the Anagram-Party City Contracts, the Debtors were also working to address their own capital structure and liquidity needs. The Debtors and the Ad Hoc Group explored potential restructuring transactions, including a potential transaction involving the equitization of some or all of the Notes. The negotiations, however, were complicated by the breakdown of negotiations between Party City and Anagram, which created significant uncertainty. Unfortunately, despite extensive negotiations, the parties were unable to reach a resolution on a comprehensive restructuring transaction or a resolution to the issues concerning the Anagram-Party City Contracts. As a result, the Debtors determined that a sale for all or substantially all of the Debtors' assets was the best path forward, and the Debtors commenced the Sale Process.

D. Entry into Forbearance, and Grace Period

78. Faced with an approximately $6.3 million interest payment due on August 15, 2023, to preserve liquidity, the Restructuring Committee elected to utilize a 30-day grace period and not

make the interest payment (the "Grace Period"). On September 15, 2023, the Grace Period expired, triggering an event of default under the First Lien Notes Indenture. The default, in turn, triggered a cross-default under the ABL Facility and Second Lien Notes.

E. Sale and DIP Financing Processes

79. Prior to the Petition Date, having decided that a sale for substantially all of the Debtors' assets was the optimal path forward, the Debtors, led by Baird, commenced the Sale Process. During this process, Baird approached more than 107 parties, both strategic and financial, in an effort to sell the Company's assets and business. Forty-two (42) interested parties signed non-disclosure agreements and were granted access by Baird to a virtual data room. The virtual data room contained extensive information about the Company, including documents describing the Company's business and assets in considerable detail.

80. The Debtors and their advisors negotiated the terms of the Stalking Horse Bid with the Stalking Horse Bidder, resulting in the stalking horse asset purchase agreement annexed to the Bidding Procedures. In parallel, the Company continued to encourage other interested parties to compete with the above proposals and to submit indications of interests to purchase the Company's assets.

81. Simultaneously with the Sale Process, the Debtors and Baird also commenced a process to solicit proposals for debtor-in-possession financing (the "DIP Financing Process") in mid-September, around three weeks prior to the commencement of the Sale Process as explained in the DIP Declaration.[9]

[9] The DIP Financing Process is discussed in further detail in the *Declaration of Ajay Bijoor in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing; (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Declaration") filed contemporaneously herewith in support of the DIP Motion.

F. Decision to Commence Chapter 11 Cases

82. On November 7, 2023, the Restructuring Committee convened and determined that it was in the best interest of the Company's employees, creditors, and other stakeholders to commence these chapter 11 cases to preserve the value of the business, utilize the DIP Facilities and cash collateral to fund payroll and operations, and allow the Company to continue and finalize the Sale Process to maximize value for the Company's stakeholders. Consequently, the Restructuring Committee authorized the Debtors' chapter 11 filing.

V. Evidentiary Support for First Day Motions

83. Contemporaneously herewith, the Debtors have filed a number of First Day Motions seeking orders granting various forms of relief intended to stabilize their business operations, facilitate the efficient administration of these chapter 11 cases, and execute a swift and smooth restructuring. The First Day Pleadings include:

- *Debtors' Emergency Motion Pursuant to Bankruptcy Rule 1015(B) and Local Rule 1015-1 for Order Directing Joint Administration of Chapter 11 Cases*;
- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Motion" and the orders entered by the Court pursuant thereto, the "DIP Orders");
- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms and Books and Records, and (D) Continue to Perform Intercompany Transactions and (II) Granting Related Relief*;
- *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief*;

- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) Critical Vendors, (B) Lien Claimants, (C) Foreign Vendors, and (D) 503(B)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief*;

- *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief*;

- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Taxes and Fees and (II) Granting Related Relief*;

- *Debtors' Emergency Motion for Entry of an Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief*;

- *Emergency Ex Parte Application for Entry of an Order Authorizing the Employment and Retention of Kurtzman Carson Consultants LLC as Claims, Noticing and Solicitation Agent*; and

- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Prepetition Insurance Coverage and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, and (C) Maintain Their Surety Bond Program, and (II) Granting Related Relief.*

84. The First Day Motions seek authority to, among other things, obtain post-petition financing, honor employee-related wages and benefits obligations, pay claims of certain critical vendors and suppliers, and ensure the continuation of the Debtors' cash management system and other operations in the ordinary course of business with as minimal interruption as possible on account of the commencement of these chapter 11 cases. In my capacity as CRO, and based on my experience and knowledge, I believe that the relief requested in the First Day Motions is necessary to provide the Debtors an opportunity to work towards a successful restructuring that will inure to the benefit of each stakeholder.

85. Several of the First Day Motions request authority to pay certain prepetition claims against the Debtors. The Debtors have narrowly tailored these requests for immediate authority to pay certain prepetition claims to those instances where the failure to pay would cause immediate and irreparable harm to the Debtors and their estates. The Debtors will defer seeking other relief to subsequent hearings before the Court.

86. I am familiar with the content and substance of each of the First Day Motions and hereby reference and expressly incorporate into this Declaration the facts in each First Day Motion with the exception of certain of the sections of the DIP Motion, which rely on the DIP Declaration. In my capacity as CRO, and based on my experience and knowledge, I believe approval of the relief sought in each of the First Day Motions is critical to the Debtors' ability to successfully implement their chapter 11 strategy, with minimal disruption to their business operations. Obtaining the relief sought in the First Day Motions will permit the Debtors to preserve and maximize the value of their estates for the benefit of all of their stakeholders.

[*Remainder of page intentionally left blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: November 8, 2023

/s/ Adrian Frankum
Adrian Frankum
Chief Restructuring Officer
Anagram Holdings, LLC, *et al*.

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	Chapter 11
ANAGRAM HOLDINGS, LLC, *et al.*,[1]	Case No. 23-90901 (MI)
Debtors.	(Joint Administration Requested) (Emergency Hearing Requested)

DECLARATION OF AJAY BIJOOR IN SUPPORT OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) OBTAIN POSTPETITION FINANCING; (B) USE CASH COLLATERAL, AND (C) GRANT LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (II) GRANTING ADEQUATE PROTECTION TO CERTAIN PREPETITION SECURED PARTIES, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF

Pursuant to 28 U.S.C. § 1746, I, Ajay Bijoor, hereby declare as follows under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director of the Capital Structure Advisory Group at Robert W. Baird & Co. Incorporated's ("Baird") Global Investment Banking group, with principal offices located at 1155 Avenue of the Americas, New York, NY 10036. The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors") are proposing to retain Baird as their investment banker in these chapter 11 cases.

2. Except as otherwise indicated, all facts set forth in this declaration (this "Declaration") are based upon my personal knowledge of the Debtors' operations and finances,

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors' service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors' chapter 11 cases are not proposed to be consolidated with Party City Holdco Inc. and its affiliate debtors (collectively, "Party City") which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.

information learned from my review of relevant documents, and information supplied by members of the Debtors' management, the Debtors' other advisors and Baird professionals working directly with me or under my supervision, direction or control who are involved in advising the Debtors. I am over 18 years of age and authorized to submit this Declaration. If called upon to testify, I could and would testify competently to the facts set forth herein on that basis.

3. I submit this Declaration, on the Debtors' behalf, in support of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief;* (the "DIP Motion"; and the orders entered by the Bankruptcy Court pursuant thereto, the "DIP Orders").[2]

Qualifications

4. I am a Managing Director at Baird, which I joined in 2022. Baird is a leading middle-market investment bank with over 400 investment banking professionals globally. I lead Baird's Capital Structure Advisory Group, which provides advice to clients facing complex balance sheet issues.

5. I have over 23 years of investment banking and corporate finance experience, including over 17 years of restructuring-related investment banking experience (both in and out of court) across a wide range of industries, including with respect to financings and mergers and acquisitions. Prior to joining Baird, I was a Managing Director in the Debt Advisory and

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the DIP Orders or the First Day Declaration (as defined below), as applicable.

Restructuring practice of DC Advisory where I focused on advising on restructuring matters from 2020 to 2022. Prior to that, I was a Managing Director in the Restructuring Group at Guggenheim Securities, LLC, an investment banking and financial advisory firm, for four years. I also spent several years as a senior restructuring banker at Peter J. Solomon Company and Miller Buckfire & Co. I received a Bachelor of Arts degree in Economics from the University of Pennsylvania in 1998 and a Master of Business Administration degree from The Wharton School at the University of Pennsylvania in 2006.

6. In addition to working with the Debtors in the above-captioned chapter 11 cases, my experience includes representing companies, boards, creditors, and other stakeholders in a variety of restructuring situations across a broad range of industries, including with respect to the chapter 11 cases of: Basic Energy Services; Charming Charlie; Dana Corporation; The Dolan Company; Energy Future Holdings; Hornbeck Offshore Services; Lear Corporation; Mattress Firm; Meridian Technologies; Overseas Shipholding Group; Quiksilver; Templar Energy; White Star Petroleum; and Station Casinos, among others.

Baird's Retention

7. Baird has been engaged as investment banker to the Debtors, and members of my team and I have been working closely with the Debtors, since July 2023. Since being engaged by the Debtors, Baird has rendered investment banking advisory services to the Debtors in connection with the Debtors' evaluation of certain strategic alternatives, including a potential sale, preparations for potential chapter 11 cases, and outreach to potential liquidity providers to obtain postpetition financing. Additionally, Baird has worked closely with the Debtors' management and other professionals retained by the Debtors with respect to these strategic alternatives and has

become acquainted with the Debtors' capital structure, liquidity needs, and business operations. As a Managing Director, I am responsible for the day-to-day activities of the Baird deal team.

The Debtors' Need for Postpetition Financing

8. I understand that information regarding the Debtors' cash needs leading up to the Petition Date and the need for the relief requested in the DIP Motion are addressed in the *Declaration of Adrian Frankum in Support of Debtors' Chapter 11 Petitions and First-Day Motions* (the "First Day Declaration"), filed contemporaneously herewith.

9. I believe that access to the DIP Facilities (as defined below) and Cash Collateral is essential for the following reasons: *First,* based on discussions with the Debtors and their financial advisor, Ankura Consulting Group, LLC ("Ankura"), I understand that the Debtors require access to the DIP Facilities to preserve their assets and maintain operations during the Sale Process in order to maximize recovery for their stakeholders (including the Debtors' creditors). Indeed, I understand that, according to the Debtors' cash flow projections prepared by Ankura, the Debtors commenced these chapter 11 cases with insufficient cash on their balance sheets to pay ongoing business expenses and the cost of administering the Sale Process.[3] Accordingly, without access to the DIP Facilities and Cash Collateral, the Debtors would likely have to curtail operations, which would be value destructive and, as I understand, could trigger a default under the stalking horse asset purchase agreement annexed to the Bidding Procedures Motion (the "Stalking Horse APA").

10. *Second*, based on my experience, I believe that access to the proposed DIP Facilities and use of Cash Collateral will signal to the market, including the Debtors' customers and vendors, as well as the Debtors' employees, that the Debtors' can and will continue operating during these

[3] The current cash flow projections are set forth in the Initial DIP Budget attached to the interim DIP Order as **Schedule 1**. The cash flow projections are subject to revisions and change and are not a guarantee of actual disbursements or receipts.

chapter 11 cases without interruption. I believe that stabilizing the Debtors' business is critical to a successful sale process. Based on my experience, I believe that potential purchasers are more likely to bid, and bid at a higher price, if the Debtors are operating in the ordinary course without a loss of vendors, employees or customers. It is therefore important to show those constituents that the Debtors have sufficient liquidity through the DIP Facilities and use of Cash Collateral.

Efforts to Obtain Postpetition Financing

11. Since July 2023, Baird has worked with the Debtors and the Debtors' management and other advisors to evaluate strategic alternatives for the Debtors. Ultimately, the Debtors, in consultation with their advisors, concluded that the most viable and value-maximizing alternative for the Debtors and their estates is a sale of substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code (the "Sale Process").

12. Once the Debtors concluded a chapter 11 proceeding was likely, the Debtors immediately looked to secure debtor-in-possession ("DIP") financing on the best available terms. The Debtors, with the assistance of their advisors, evaluated their cash flow and liquidity needs to operate their businesses and pay the expenses of a chapter 11 process while effectuating a going concern sale. The Debtors also assessed whether they had any material unencumbered property to secure any new financing, but my understanding is that the Debtors' existing Noteholders and the Prepetition ABL Lender have liens on substantially all material assets.

13. Because of the existing secured creditors' liens, the Debtors began their efforts to obtain DIP financing by engaging with their existing secured creditors, including the Prepetition ABL Lender and an ad hoc group (the "Ad Hoc Group") who, I understand, collectively holds approximately 60% in principal amount of First Lien Notes. My understanding is that, under the prepetition Indentures and the Intercreditor Agreements, the members of the Ad Hoc Group can

consent to priming liens on what is referred to as the "Notes Priority Collateral", which is the pool of collateral consisting of "fixed assets" such as property, plant and equipment. Similarly, the Prepetition ABL Lender can consent to priming liens on the "ABL Priority Collateral", which includes receivables and inventory. Both the Ad Hoc Group and the Prepetition ABL Lender informed the Debtors that they will not consent to any priming liens over their collateral to secure third-party DIP financing. In my opinion, seeking non-consensual priming liens on the Notes Priority Collateral or the ABL Priority Collateral would risk destabilizing the Debtors' operations and the Sale Process at the outset of these chapter 11 cases, with no assurance the Debtors could ultimately succeed if they undertook a priming fight.

14. As a result, the Debtors determined that any financing proposals predicated on non-consensual priming liens were not viable and, instead, the Debtors, with the assistance of Baird and their other advisors, focused their efforts on obtaining DIP financing from the Ad Hoc Group and the Prepetition ABL Lender on the best possible terms. After weeks of good faith, but often hard-fought, negotiations, the Debtors and the Ad Hoc Group agreed on the terms of a fully committed $22 million debtor-in-possession notes facility (the "DIP Notes Facility" and the notes thereunder, the "DIP Notes"). Once the terms were finalized, another First Lien Noteholder also agreed to participate on equal and ratable terms as the Ad Hoc Group (collectively, in their capacities as such, the "DIP Noteholders"). As a result, almost 100% of the First Lien Noteholders now are funding the DIP and consenting to the priming liens. To further bolster their liquidity, the Debtors also secured a commitment from the Prepetition ABL Lender to allow the Debtors to have continuous access to the Debtors' existing $15 million Prepetition ABL Facility after the Petition Date, subject to certain modifications that are set forth in the DIP Orders (as so modified, the "DIP ABL Facility").

15. Importantly, the DIP Notes Facility is coupled with, and conditioned on, a Stalking Horse Bid for substantially all of the Debtors' assets. The Stalking Horse Bid submitted on behalf of the First Lien Noteholders and DIP Noteholders includes (i) a credit bid for all of the First Lien Notes[4] and DIP Notes, *plus* (ii) cash in an amount sufficient to repay the DIP ABL Facility and fund a minimum amount of wind down expenses of the Debtors' estates *plus* (iii) assumption of the material liabilities. The Stalking Horse Bid provides significant benefits to the Debtors. By entering into a Sale Process with a Stalking Horse Bid, as compared to an open auction, the Debtors establish a more certain outcome, set a floor on the value of their estates, resulting in a higher chance of receiving the most value for their assets, and ensure a more expeditious Sale Process. The Stalking Horse Bid also includes a credit bid of the DIP Notes, reducing administrative expenses owed by the Debtors. However, I understand that the DIP Noteholders and the Ad Hoc Group coupled their Stalking Horse Bid with the DIP Notes Facility, providing the Debtors a comprehensive path forward.

16. Notwithstanding that the Debtors received the DIP financing proposals from the Ad Hoc Group and the Prepetition ABL Lender, the Debtors, with the assistance of Baird, engaged in a comprehensive marketing process with potential alternative DIP financing providers. In particular, the Debtors focused on an upsized asset-based lending financing facility that would be sufficient to refinance the Prepetition ABL Facility in full, thereby avoiding a priming fight, *and* provide the Debtors with additional liquidity. In all, 39 potential third-party DIP financing providers, consisting of traditional asset-based lenders and credit funds, were contacted to explore viable alternatives.

[4] Because the members of the Ad Hoc Group hold approximately 60% of the principal amount of First Lien Notes, they have the requisite holdings to direct the First Lien Notes Trustee to credit bid the full amount of outstanding First Lien Notes.

17. Of the potential DIP financing providers contacted, 19 signed non-disclosure agreements and were given access to a data room with additional materials to guide their decision-making processes, including a detailed request for proposal, and 7 submitted indications of interest. The Debtors, with the assistance of Baird and their other advisors, engaged in multiple rounds of negotiations with such potential DIP financing providers and suggested alternative terms to make such DIP financing proposals more competitive. During this process, the Debtors continued to negotiate improved terms from their existing secured creditors.

18. After reviewing all alternatives available to it and evaluating those proposals based on, among other things, access to liquidity, cost of capital, covenants, conditions, certainty of execution, and risk of challenge, the Debtors determined that the DIP Notes Facility and DIP ABL Facility together provided the most favorable economic terms and allowed for most certainty in the Sale Process.

The DIP Facilities Were Negotiated in Good Faith and Arm's Length

19. Negotiations over the Debtors' proposed DIP financing were conducted over many weeks all the way to the Petition Date, in good faith and at arm's length. During these negotiations, the Debtors, the DIP Noteholders and the Prepetition ABL Lender were all represented by their own experienced advisors and the parties exchange multiple proposals and counterproposals.

20. Through the Debtors' negotiations with the DIP Noteholders and the Prepetition ABL Lender, the economics and other terms of the DIP Facilities improved to the benefit of the Debtors from the terms originally proposed, including, but not limited to, improved economic terms and less restrictive covenants.

The Terms of the DIP Facilities

21. Baird assisted the Debtors in their review of the principal economic terms of the proposed DIP Facilities. The terms of the DIP Facilities are detailed in the DIP Motion, as well as in the DIP Notes Documents, the DIP ABL Agreement and the Prepetition ABL Loan Documents. As described in the DIP Motion, the DIP financing contemplates both (a) the DIP Notes Facility in an aggregate principal amount of up to $22 million, of which $10 million will be available immediately upon entry of the interim DIP Order, and the remainder will be available subject to and upon the date of entry of the final DIP Order and (b) the DIP ABL Facility in an aggregate principal amount of up to $15 million, which provides for a gradual roll-up, whereby the prepetition ABL Facility will be paid down by collections on receivables but the Debtors can continue to borrow under the DIP ABL Facility.

22. The unpaid principal amount of the DIP Notes accrue interest at a rate equal to 13.00% per annum, payable in cash monthly. Under the DIP Notes Facility, there is a commitment fee of 5.0% of the total DIP Notes commitments, payable to each committing DIP Noteholder.

23. The unpaid principal amount of obligations outstanding under the DIP ABL Facility accrue at a rate equal to the daily simple SOFR *plus* 4.50% per annum, payable monthly in cash. The fees payable under the DIP ABL Facility include a $200,000.00 commitment fee due and payable within two business days following entry of the interim DIP Order.

24. I believe that the interest and fees under the DIP Facilities that are described in the DIP Motion, including the 5.0% commitment fee, are, in the aggregate, in light of the marketing process described above and my involvement in the negotiation of the key economic terms of the DIP Facilities, appropriate under the circumstances. The proposed fees are consistent with the range of fees I have seen in similar financings in which I have been involved, particularly in light

of the financial condition of the Debtors as described in the First Day Declaration and the DIP Motion. These fees were the subject of negotiations between the Debtors and the DIP Noteholders and the Prepetition ABL Lender, respectively, are an important component of the overall terms of the DIP Facilities, and were required by the DIP Noteholders and the DIP ABL Lender as consideration for the extension of postpetition financing.

25. Additionally, based on the discussions I observed, the gradual roll-up of the obligations under the Prepetition ABL Facility pursuant to the interim DIP Order was an important component of the DIP ABL Facility that the DIP ABL Lender (through its representatives) required as a condition to provide the Debtors with the DIP ABL Facility and to consent to the Debtors' use of Cash Collateral. It is my understanding that the DIP ABL Lender would not be willing to permit continued borrowing under its facility or use of Cash Collateral absent this feature. Notably, however, as described in the DIP Motion, notwithstanding the roll-up feature, there will be a period of time during which the claims and liens related to the Prepetition ABL Facility will be subject to review.

26. In sum, based on my experience with DIP financing transactions as well as my involvement in the marketing and negotiation of the postpetition financing alternatives for the Debtors, I believe that the DIP Facilities are the best financing option presently available to the Debtors under the circumstances, for several reasons:

27. ***First,*** the DIP Facilities will provide the Debtors with access to the amount of capital that the Debtors, in consultation with their advisors, believe is necessary to effectively and efficiently conduct the Sale Process and administer these chapter 11 cases, including at least eight weeks of liquidity sufficient for the Debtors to operate their business in chapter 11 and fund a sale process.

28. ***Second,*** the terms of the DIP Facilities are the result of the above-described marketing process. As set forth above, the Debtors, with the assistance of their advisors, including Baird, solicited and considered other sources of postpetition financing to determine whether the Debtors could obtain DIP financing on better terms and engaged in discussions with multiple third parties. Notably, none of the other Noteholders or third-party lenders from outside of the Debtors' existing prepetition capital structure that were contacted in connection with the marketing process were willing to provide the Debtors with actionable DIP financing on more favorable terms.

29. ***Third***, as part of the DIP Notes Facility proposal, the DIP Noteholders committed to credit bid the DIP Notes Facility and the First Lien Notes as part of the Stalking Horse Bid, in support of the Debtors' efforts to maximize the value of the Debtors' estates.

30. In sum, for the reasons set forth above, I believe that the principal economic terms proposed under the DIP Facilities (such as the contemplated pricing, fees, interest rate, and default rate) are customary and usual for DIP financings of this type, were negotiated at arm's length and in good faith and are, in the aggregate, the best terms available to the Debtors and generally consistent with the terms of DIP financings in comparable circumstances.

Need for Interim Relief

31. Based on discussions with the Debtors and their other advisors, I believe that the Debtors' access to the DIP Financing is necessary to continue the operation of the Debtors' business, supplements the Debtors' liquidity needs, helps the Debtors preserve the value of their estates, and increases the prospect of executing a successful going-concern sale. Based on the foregoing and my experience, I believe that, absent the Bankruptcy Court's entry of the interim DIP Order, the Debtors' business will be immediately and irreparably harmed.

32. Based on my experience in negotiating DIP financings and my involvement in these DIP Facilities as well as my discussions with the Debtors and their other advisors, I believe that the DIP Facilities are reasonable and necessary under the circumstances and that without such facilities the Debtors would not have sufficient liquidity and would risk liquidation.

[*Remainder of Page Intentionally Left Blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: November 8, 2023
New York, New York

/s/ *Ajay Bijoor*
Ajay Bijoor
Managing Director
Baird Global Investment Banking

EXHIBIT C

Execution Version

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT

dated as of July 30, 2020

among

ANKURA TRUST COMPANY, LLC,
as First Priority Collateral Trustee for the First Priority Secured Parties,

and

ANKURA TRUST COMPANY, LLC,
as Second Priority Collateral Trustee for the Second Priority Secured Parties

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ARTICLE X

Miscellaneous

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of July 30, 2020 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "***Agreement***"), among ANKURA TRUST COMPANY, LLC ("***Ankura***"), solely as collateral trustee for the First Priority Secured Parties (as defined below) (in such capacity and together with its successors and permitted assigns in such capacity, the "***First Priority Collateral Trustee***"), and Ankura, solely as collateral trustee for the Second Priority Secured Parties (in such capacity and together with its successors and permitted assigns in such capacity, the "***Second Priority Collateral Trustee***").

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the First Priority Collateral Trustee (for itself and on behalf of the other First Priority Secured Parties) and the Second Priority Collateral Trustee (for itself and on behalf of the other Second Priority Secured Parties) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Certain Defined Terms***. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings set forth in the First Priority Indenture or, if defined in the UCC, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

"***363 Sale***" shall have the meaning assigned to such term in Section 7.01.

"***Agreement***" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Applicable Premium***" shall have the meaning assigned to such term in the applicable Indentures.

"***Bankruptcy Case***" shall mean a case under the Bankruptcy Code or any other Bankruptcy Law.

"***Bankruptcy Code***" shall have the meaning assigned to such term in the First Priority Indenture.

"***Bankruptcy Law***" shall have the meaning assigned to such term in the First Priority Indenture.

"***Collateral***" shall mean all of the existing or hereafter acquired property, whether real, personal or mixed of each Grantor in which a Lien is granted, or purported to be granted, pursuant to the terms of the applicable Security Documents.

"***Collateral Trustee***" shall mean the First Priority Collateral Trustee and the Second Priority Collateral Trustee, as applicable.

"***Debt***" shall mean "Indebtedness" as defined in the applicable Indenture (as in effect on the date hereof).

"***Debt Documents***" shall mean the First Priority Notes Documents and the Second Priority Notes Documents, including, in each case, the applicable Security Documents.

"***Debt Obligations***" shall mean the First Priority Obligations and/or the Second Priority Obligations, as applicable.

"***DIP Financing***" shall have the meaning assigned to such term in Section 7.01.

"***DIP Financing Cap***" shall mean 120% of the First Priority Debt Cap.

"***DIP Financing Liens***" shall have the meaning assigned to such term in Section 7.01.

"***DIP Financing/Cash Collateral Conditions***" shall mean any DIP Financing that meets each of the following conditions: (1) the maximum principal amount (excluding capitalized interest and fees) of Debt that may be outstanding from time to time in connection with such DIP Financing (together with, without duplication, the aggregate principal balance of First Priority Obligations outstanding at such time, calculated after giving effect to the use of proceeds of such DIP Financing) shall not exceed the DIP Financing Cap; (2) (i) with respect to any DIP Financing proposed or entered into by any First Priority Secured Party, such DIP Financing and DIP Financing Liens are *pari passu* with, or senior in priority to, the then outstanding First Priority Obligations or (ii) with respect to any DIP Financing proposed or entered into by any Second Priority Secured Party, such DIP Financing and any DIP Financing Liens shall be *pari passu* with, or junior in priority to, the then outstanding Second Priority Obligations; and (3) such DIP Financing does not compel any Issuer or any other Grantor to seek confirmation of a specific plan of reorganization of which the material terms are set forth in the definitive documentation for such DIP Financing or a related document (it being agreed that the inclusion of termination events or milestones with respect to the proposal after initial funding under such DIP Financing of a plan of reorganization acceptable to the lenders under such DIP Financing shall not be deemed to constitute such a condition) or the liquidation of a substantial portion of the Collateral (excluding ordinary course discounting of accounts receivable for purposes of collection) prior to a default under the DIP Financing.

"***Discharge***" shall mean, with respect to any Debt Obligations, the date on which such Debt Obligations are repaid in full in cash in accordance with the terms of the respective Debt Documents. The term "***Discharged***" shall have a corresponding meaning.

"***Event of Default***" shall mean an "Event of Default", as defined in any Debt Document.

"***Excess First Priority Obligations***" means (x) that portion of the principal amount of First Priority Obligations that exceeds the First Priority Debt Cap (together with any accrued and unpaid interest, premium and fees on such excess amount, including interest, premium and

fees thereon that accrue after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding under such Bankruptcy Case) and (y) in the event that the interest rate (as determined in accordance with the definition of First Priority Debt Margin Cap) under the First Priority Notes Documents exceeds the First Priority Debt Margin Cap at any time, the aggregate unpaid interest and paid in kind interest (if any) that has accrued at an annual rate by which such interest rate exceeds the First Priority Debt Margin Cap.

"***Excess Second Priority Obligations***" means (x) that portion of the principal amount of Second Priority Obligations that exceeds the Second Priority Debt Cap (together with any accrued and unpaid interest, premium and fees on such excess amount, including interest, premium and fees thereon that accrue after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding under such Bankruptcy Case) and (y) in the event that that the interest rate (as determined in accordance with the definition of Second Priority Debt Margin Cap) under the Second Priority Notes Documents exceeds the Second Priority Debt Margin Cap at any time, the aggregate unpaid interest and paid in kind interest (if any) that has accrued at an annual rate by which such interest rate exceeds the Second Priority Debt Margin Cap.

"***Excluded Collateral***" shall have the meaning assigned to such term in the First Priority Security Documents.

"***First Priority Collateral Trustee***" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"***First Priority Debt Cap***" shall mean, at any time, an amount equal to (a) $132,000,000, *plus* (b) the aggregate amount of any unpaid accrued interest, accrued paid in kind interest (except to the extent constituting Excess First Priority Obligations under clause (y) of the definition of such term), and premiums (including, without limitation, the Applicable Premium (as defined in the First Priority Indenture) and the redemption price applicable pursuant to Section 3.09 of the First Priority Indenture) on any Debt, in each case of this clause (b), to the extent added to the principal amount of Debt outstanding under the First Priority Notes Documents or paid or Refinanced with the proceeds of any Debt incurred to Refinance all or any portion of the First Priority Obligation or a roll-up of such First Priority Obligations in connection with a DIP Financing, plus (c) the aggregate amount of fees, expenses and indemnities incurred in connection with any of the First Priority Notes Documents (in accordance with the terms of the First Priority Indenture) to the extent added to the principal amount of Debt under the First Priority Notes Documents or paid or Refinanced with the proceeds of any Debt incurred to Refinance all or any portion of the First Priority Obligation or a roll-up of such First Priority Obligations in connection with a DIP Financing (in each case of the amounts referred to in clauses (b) and (c), whether or not allowed or allowable as a claim in any such proceeding under such Bankruptcy Case), *minus* (d) the amount of permanent principal repayments or redemptions under the First Priority Indenture (other than (x) a Refinancing of all or any portion of the First Priority Obligation or (y) a roll-up of all or any portion of the First Priority Obligation in connection with a DIP Financing). For the avoidance of doubt, the following shall not shall not be considered principal amounts outstanding under this First Priority Debt Cap: (i) any unpaid accrued interest, accrued paid in kind interest and premiums (including, without limitation, the Applicable Premium (as defined in the

First Priority Indenture) and the redemption price applicable pursuant to Section 3.09 of the First Priority Indenture) on any Debt outstanding under the First Priority Notes Documents, and (ii) any fees, expenses and indemnities, in each case of clauses (i) and (ii), not added to the principal amount of Debt outstanding under the First Priority Notes Documents.

"***First Priority Debt Margin Cap***" has the meaning set forth in Section 6.01.

"***First Priority Indenture***" shall mean that certain Indenture dated as of July 30, 2020, among the Issuers, the Guarantors from time to time party thereto, Ankura, as Trustee and Collateral Trustee, as may be amended, restated, supplemented or otherwise modified from time to time.

"***First Priority Lien***" shall mean all Liens on the Collateral securing the First Priority Obligations, whether created under the First Priority Security Documents or acquired by possession, statute (including any judgment lien), operation of law, subrogation or otherwise.

"***First Priority Notes Documents***" shall mean the First Priority Indenture, the First Lien Notes (as defined in the First Priority Indenture), this Agreement and the First Priority Security Documents.

"***First Priority Obligations***" shall mean the "Secured Obligations" (as defined in the First Priority Security Agreement).

"***First Priority Secured Parties***" shall mean the "Secured Parties" as defined in the First Priority Security Agreement, each a "First Priority Secured Party".

"***First Priority Security Agreement***" shall mean the "Security Agreement" as defined in the First Priority Indenture.

"***First Priority Security Documents***" shall mean the First Priority Security Agreement, the other Security Documents (as defined in the First Priority Indenture) and each of the security agreements and other instruments and documents executed and delivered by any Grantor for purposes of providing collateral security for the First Priority Obligations, or any successor refinancing security documents, in each case as may be amended, restated, supplemented or otherwise modified from time to time.

"***Grantors***" shall have the meaning assigned to such term in any of the Security Documents.

"***Guarantee***" shall mean any guarantee of the Debt Obligations provided under or pursuant to the First Priority Indenture or the Second Priority Indenture, as applicable.

"Indentures" shall mean the First Priority Indenture and the Second Priority Indenture.

"***Impairment***" shall have the meaning assigned to such term in Section 1.03.

"***Insolvency or Liquidation Proceeding***" shall mean:

(1) any case commenced by or against any Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of any Grantor, any receivership or administration of any Grantor or assignment, compromise or arrangement with or for the benefit of creditors relating to any Grantor or any similar case, action or proceeding relative to any Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to any Grantor (other than in a transaction or series of transactions permitted under the Debt Documents then in effect), in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of any Grantor are determined and any payment or distribution is or may be made on account of such claims.

"***Issuers***" shall mean Anagram International, Inc., a Minnesota corporation, and Anagram Holdings, LLC, a Delaware limited liability company, each an "Issuer".

"***Lien***" shall have the meaning assigned to such term in the First Priority Indenture.

"***Net Proceeds***" shall mean any Proceeds, net of selling expenses, including reasonable broker's fees or commissions, investment banking fees, legal fees, transfer and similar expense, and payments made to repay any indebtedness or other obligations outstanding at the time of the relevant sale of any assets secured by any Liens on such assets (other than Indebtedness or other obligations assumed by the purchaser of such assets) which is required to be, and is, repaid in connection therewith (other than the Obligations under the Indentures), collection or other liquidation that is secured by a Lien on the property or assets sold, including in the case of a 363 Sale, the payment of any obligations in respect of DIP Financing that are secured by DIP Financing Liens senior in priority to the Liens securing the First Priority Obligations and the Second Priority Obligations.

"***Permitted Actions***" shall have the meaning assigned to such term in Section 3.01(a).

"***Person***" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, governmental authority or other entity.

"***Pledged or Controlled Collateral***" shall have the meaning assigned to such term in Section 5.05(a).

"***Post-Petition Interest***" shall mean any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency or Liquidation Proceeding

(or would accrue but for the commencement of a Insolvency or Liquidation Proceeding), whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding.

"***Proceeds***" shall mean the proceeds of any sale, collection or other liquidation of Collateral, any payment or distribution made in respect of the Collateral in a Bankruptcy Case and any amounts received by the First Priority Collateral Trustee or any other First Priority Secured Party from any Second Priority Secured Party in respect of the Collateral pursuant to this Agreement, in each cash, whether in cash, property or securities.

"***Purchase Option***" shall have the meaning assigned to such term in Section 3.01(e)(i).

"***Purchase Price***" shall have the meaning assigned to such term in Section 3.01(e)(ii).

"***Recovery***" shall have the meaning assigned to such term in Section 7.05.

"***Refinancing***" shall mean, in respect of any First Priority Obligations (or any subsequent Refinancing thereof), any refinancing, replacement, refunding, or repayment/redemption and reissuance of other first priority obligations or commitments (whether or not fully utilized) in whole or in part, whether with the same or different lenders, agents, trustees or arrangers and including any "roll-up" of First Priority Obligations in connection with a DIP Financing from time to time in compliance with this Agreement but specifically excluding any such refinancing, replacement, refunding, or repayment/redemption and reissuance that contains (either initially or by amendment or other modification) any terms, conditions, covenants or defaults other than those that (a) then exist in the First Priority Notes Documents as in effect on the date hereof or (b) could be included in the First Priority Notes Documents by an amendment or other modification after the date hereof that would not be prohibited by the terms of this Agreement.

"***Second Priority Collateral Trustee***" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Second Priority Debt Cap***" shall mean, at any time, an amount equal to (a) $101,624,372, *plus* (b) the aggregate amount of any unpaid accrued interest, accrued paid in kind interest (except to the extent constituting Excess Second Priority Obligations under clause (y) of the definition of such term) and premium on any Debt, in each case of this clause (b), to the extent added to the principal amount of Debt under the Second Priority Notes Documents, *plus* (c) the aggregate amount of fees, expenses and indemnities incurred (in accordance with the terms of the Second Priority Indenture) in connection with any of the Second Priority Notes Documents to the extent added to the principal amount of Debt outstanding under the Second Priority Notes Documents (in each case of the amounts referred to in clauses (b) and (c) whether or not allowed or allowable as a claim in any such proceeding under such Bankruptcy Case), *minus* (d) the amount of permanent principal repayments or redemptions under the Second Priority Indenture. For the avoidance of doubt, the following shall not shall not be considered principal amounts outstanding under this Second Priority Debt Cap: (i) any unpaid accrued interest, accrued paid in kind interest

and premium on any Debt outstanding under the Second Priority Notes Documents, and (ii) any fees, expenses and indemnities, in each case of clauses (i) and (ii), not added to the principal amount of Debt outstanding under the Second Priority Notes Documents.

"***Second Priority Debt Margin Cap***" has the meaning set forth in Section 6.02.

"***Second Priority Enforcement Date***" shall mean, with respect to the Second Priority Collateral Trustee, the date that is one hundred eighty (180) days (each a "Standstill Period") after the occurrence of both (i) an Event of Default that is continuing under the Second Priority Indenture and (ii) the First Priority Collateral Trustee's receipt of a 5 Business Days' prior written notice (which notice may be given prior to the completion of the Standstill Period) from the Second Priority Collateral Trustee that an Event of Default (under and as defined in the Second Priority Notes Documents) has occurred and is continuing, which notice shall provide reasonable detail with respect to such Event of Default and Second Priority Collateral Trustee's current intention to accelerate the Second Priority Obligations; *provided* that the Second Priority Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to the Collateral at any time the First Priority Collateral Trustee or another First Priority Secured Party has commenced and is diligently pursuing any enforcement action with respect to such Collateral (or shall have sought or requested relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding to enable the commencement and pursuit thereof).

"***Second Priority Indenture***" shall mean that certain Indenture dated as of July 30, 2020, among the Issuers, the Guarantors from time to time party thereto and Ankura, as Trustee and Collateral Trustee, as amended, restated, supplemented or otherwise modified from time to time.

"***Second Priority Lien***" shall mean all Liens on the Collateral securing the Second Priority Obligations, whether created under the Second Priority Security Documents or acquired by possession, statute (including any judgment lien), operation of law, subrogation or otherwise.

"***Second Priority Notes Documents***" shall mean the Second Priority Indenture, the Second Lien Notes (as defined in the Second Priority Indenture), and the Second Priority Security Documents.

"***Second Priority Obligations***" shall mean the "Secured Obligations" (as defined in the Second Priority Security Agreement).

"***Second Priority Secured Parties***" shall mean the "Secured Parties" as defined in the Second Priority Security Agreement, each a "Second Priority Secured Party".

"***Second Priority Security Agreement***" shall mean the "Security Agreement" as defined in the Second Priority Indenture.

"***Second Priority Security Documents***" shall mean the Second Priority Security Agreement, the other Security Documents (as defined in the Second Priority Indenture) and each

of the security agreements and other instruments and documents executed and delivered by any Grantor for purposes of providing collateral security for the Second Priority Obligations, or any successor refinancing security documents, in each case as may be amended, restated supplemented or otherwise modified from time to time.

"***Secured Parties***" shall mean the First Priority Secured Parties and the Second Priority Secured Parties.

"***Security Documents***" shall mean the First Priority Security Documents and the Second Priority Security Documents.

"***Subsidiary***" shall have the meaning assigned to such term in the Indentures.

"***Uniform Commercial Code***" or "***UCC***" shall mean, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

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, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) 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, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and (vi) the term "or" is not exclusive.

SECTION 1.03. ***Impairments***. If there occurs (a) any determination by a court of competent jurisdiction that (i) any of the Debt Obligations are unenforceable or (ii) the security interest of such Debt Obligations in any of the Collateral is not enforceable or (b) the existence of any Collateral for any Debt Obligation that is not Collateral for the other Debt Obligation (any such condition referred to in the foregoing clauses (a) or (b) with respect to the Debt Obligations, an "***Impairment***"), such Impairment, as between the First Priority Secured Parties and the Second Priority Secured Parties, in allocating Net Proceeds of Collateral under Section 4.01 shall be disregarded.

SECTION 1.04. ***Bankruptcy Code***. Any references herein to provisions of the Bankruptcy Code, and the use of concepts or terms that find meaning in connection therewith (e.g.,

"debtor-in-possession") shall be deemed to refer as well to similar provisions, concepts or terms under any other applicable Bankruptcy Law. Any references herein to a security interest being "perfected" shall be deemed to refer to perfection under the Uniform Commercial Code of any U.S. jurisdiction or analogous legislation in any applicable jurisdiction outside of the U.S. (it being understood that in jurisdictions where no such similar provisions, concepts or terms exist, the term "perfected" shall not be given any effect hereunder).

ARTICLE II

Priorities and Agreements with Respect to Collateral

SECTION 2.01. ***Priority of Liens***. Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Collateral Trustee or any other Secured Party on the Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any Bankruptcy Law, any other applicable law, any Debt Document or any other circumstance whatsoever, (a) the Second Priority Collateral Trustee, on behalf of itself and each other Second Priority Secured Party under its Debt Documents, hereby agrees that, (i) any Lien on the Collateral securing any First Priority Obligations now or hereafter held by or on behalf of the First Priority Collateral Trustee or any other First Priority Secured Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in right, priority, operation, effect and all other respects to any and all Liens on the Collateral securing any Second Priority Obligations and (ii) any Lien on the Collateral securing any Second Priority Obligations now or hereafter held by or on behalf of the Second Priority Collateral Trustee or any other Second Priority Secured Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in right, priority, operation, effect and all other respects to any and all Liens on the Collateral securing any First Priority Obligations. All Liens on the Collateral securing any First Priority Obligations shall, to the extent set forth herein, be and remain senior in right, priority, operation, effect and all other respects to any Liens on the Collateral securing any Second Priority Obligations for all purposes, whether or not such Liens securing any such First Priority Obligations are (A) subordinated in any respect to any other Lien securing any other obligation of any Grantor or any other Person, (B) defective or unperfected, (C) subordinated, voided, avoided, invalidated or lapsed or (D) otherwise subject to any other circumstance whatsoever, including any circumstance that might be a defense available to, or a discharge of, a Grantor in respect of any First Priority Obligation or any holder of any First Priority Obligation.

SECTION 2.02. ***Nature of First Priority Secured Party Claims***. The Second Priority Collateral Trustee, on behalf of itself and each other Second Priority Secured Party, acknowledges that (a) subject to Section 6.01, the terms of the First Priority Notes Documents and the First Priority Obligations may be amended, supplemented or otherwise modified and (b) subject to Section 6.01, the aggregate amount of the First Priority Obligations may be increased, in each case, without notice to or consent by the Second Priority Collateral Trustee or any other Second Priority Secured Party and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, supplement or other

modification of either the First Priority Obligations or the Second Priority Obligations, or any portion thereof. The foregoing provisions will not limit or otherwise affect the obligations of the Grantors contained in the Debt Documents.

SECTION 2.03. ***Prohibition on Contesting Liens***. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that no Second Priority Secured Party shall (and each hereby waives any right to) (a) contest or join or otherwise support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the validity, priority, enforceability or voidability of any Liens or (ii) the validity or enforceability of the First Priority Obligations held by the First Priority Secured Parties, or the extent to which the First Priority Obligations constitute secured claims under Section 506(a) of the Bankruptcy Code or otherwise or (b) in connection with any Insolvency or Liquidation Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case that (i) violates, or is prohibited by, this Section 2.03 (or otherwise would be inconsistent with or prohibited by this Agreement), (ii) asserts any right, benefit or privilege that arises in favor of the Second Priority Secured Parties, in whole or in part, as a result of their interest in the Collateral or the Second Priority Lien (unless the assertion of such right is not inconsistent with this Agreement). Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of the First Priority Collateral Trustee or the other First Priority Secured Parties to enforce this Agreement (including the priority of the Liens as provided in Section 2.01) or any of the First Priority Notes Documents.

SECTION 2.04. ***No Separate Liens; Similar Agreements***. The parties hereto acknowledge and agree that it is their intention that the Collateral under each of the Debt Obligations be identical. In furtherance of the foregoing, and subject to the other provisions of this Agreement (i) the parties hereto agree to cooperate in good faith in order to determine, upon any reasonable request by the First Priority Collateral Trustee or the Second Priority Collateral Trustee, the specific assets included as Collateral under each of the respective Debt Documents, the steps taken to perfect the Liens thereon and the identity of the respective parties obligated under the applicable First Priority Security Documents and the Second Priority Security Documents, as the case may be; and (ii) the Second Priority Collateral Trustee agrees, for itself and on behalf of the other Second Priority Secured Parties, that the documents, agreements and instruments creating or evidencing the Liens on the Collateral with respect to each of the Debt Obligations shall be either in all material respects in the same form (or no more restrictive), other than with respect to the first priority and second priority nature of the Liens created or evidenced thereunder, the identity of the Secured Parties that are parties thereto or secured thereby and other matters contemplated by this Agreement. To the extent that the provisions of this Section 2.04 are not complied with for any reason, without limiting any other right or remedy available to any Collateral Trustee or any other Secured Party, the Second Priority Collateral Trustee agrees, for itself and on behalf of the other Second Priority Secured Parties under the Second Priority Notes Documents, that any amounts received by or distributed to any Second Lien Secured Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Section 4.02. The parties hereto agree, subject to the other provisions of this Agreement, upon request by the First Priority Collateral Trustee or the Second Priority Collateral Trustee, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine

the specific items included in the Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the First Priority Security Documents and Second Priority Security Documents.

SECTION 2.05. ***Perfection of Liens***. The provisions of this Agreement are intended solely to govern the respective Lien priorities as among the Secured Parties and shall not impose on any Collateral Trustee or other Secured Party or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Collateral that would conflict with any prior perfected claims in such Proceeds in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

ARTICLE III

Enforcement

SECTION 3.01. ***Exercise of Secured Creditor Rights and Remedies.*** (a) The First Priority Collateral Trustee and the other First Priority Secured Parties shall have the exclusive right to enforce rights and exercise remedies, in each case as a secured creditor (including any right of setoff, recoupment and credit bid) and to determine and direct the time, method and place for exercising such right or remedy (including, without limitation, regarding the release, disposition, or restrictions with respect to the Collateral) or conducting any proceeding with respect thereto, and may exercise such right without any consultation with, or the consent of, the Second Priority Collateral Trustee or any other Second Priority Secured Parties; *provided, however*, that (i) in any Insolvency or Liquidation Proceeding commenced by or against any Grantor, the Second Priority Collateral Trustee may (x) file a proof of claim with respect to the Second Priority Obligations and (y) credit bid their debt in accordance with Section 7.01, provided that an Insolvency or Liquidation Proceeding has been commenced by or against the Issuer or any Guarantor (ii) the Second Priority Collateral Trustee may take any action in order to preserve or protect (but not enforce) the validity and enforceability of its rights in, and perfection and priority of its Lien on, the Collateral; *provided* that no such action is, or could reasonably be expected to be, (x) adverse to the rights of the First Priority Collateral Trustee or the First Priority Secured Parties, to exercise remedies in respect thereof or (y) otherwise in violation of the terms of this Agreement, (iii) the Second Priority Collateral Trustee or other Second Priority Secured Party may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of such Secured Party or the avoidance of any Lien on the Collateral, in each case, solely if and to the extent not in violation of the terms of this Agreement, (iv) the Second Priority Collateral Trustee or other Second Priority Secured Party may exercise its rights and remedies as an unsecured creditor, as provided in Section 5.04, (v) the Second Priority Collateral Trustee may exercise the rights and remedies provided for in, and solely to the extent permitted by, Section 7.02 (*Adequate Protection*), (vi) subject to Section 3.02, from and after the Second Priority Enforcement Date, the Second Priority Collateral Trustee may exercise or seek to exercise any rights or remedies (including setoff or recoupment) with respect to any Collateral in respect of any Second Priority Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), but only so long as (1) the First Priority Collateral Trustee is not

diligently pursuing any enforcement action with respect to a material portion of the Collateral (including after the Second Priority Enforcement Date) or (2) the Grantor that has granted a security interest in such Collateral is not then a debtor under (or otherwise subject to) any Insolvency or Liquidation Proceeding, (vii) in any Insolvency or Liquidation Proceeding commenced by or against any Grantor, the Second Priority Collateral Trustee or Second Priority Secured Parties may vote on any plan of reorganization to the extent not inconsistent with this Agreement, and (viii) the Second Priority Collateral Trustee may accelerate (though not enforce unless otherwise permitted hereunder) any portion of the Second Priority Obligations of such applicable Second Priority Secured Party (the actions described in clauses (i) through (viii) of this proviso being referred to herein as the "***Permitted Actions***").

(a) In exercising rights and remedies with respect to the Collateral, the First Priority Collateral Trustee and the other First Priority Secured Parties may enforce the provisions of the First Priority Notes Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent or trustee appointed by them to sell or otherwise dispose of the Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code or any comparable legislation of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) Except for the Permitted Actions, the sole right of the Second Priority Collateral Trustee and the other Second Priority Secured Parties with respect to the Collateral is to hold a Lien on the Collateral pursuant to the Second Priority Notes Documents for the period and to the extent granted therein and to receive a share of the Net Proceeds thereof in accordance with this Agreement, such Debt Documents and applicable law.

(c) The Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Second Priority Notes Documents shall be deemed to restrict in any way the exercise of rights and remedies of the First Priority Collateral Trustee or the other First Priority Secured Parties with respect to the Collateral as set forth in this Agreement and the First Priority Notes Documents.

SECTION 3.02. ***No Interference***. (a) The Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, agrees that, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, except for Permitted Actions, the Second Priority Collateral Trustee and such Second Priority Secured Parties, directly or indirectly:

(i) will not: (x) enforce or exercise, or seek to enforce or exercise, any rights or remedies (including any right of setoff or recoupment and the right to credit bid its debt) with respect to any Collateral or (y) commence or join with any other Person (other than the First Priority Collateral Trustee) in commencing, or petition for or vote in favor of, any action or proceeding with respect to such rights and remedies (including any foreclosure action or seeking or requesting relief from or modification of the automatic

stay or any other stay in any Insolvency or Liquidation Proceeding to enable the commencement and pursuit thereof);

(ii) will not contest, protest or object to any foreclosure action or proceeding brought by the First Priority Collateral Trustee or any other First Priority Secured Party, or any other enforcement or exercise by any First Priority Secured Party of any rights or remedies relating to the Collateral under the First Priority Notes Documents or otherwise;

(iii) will not contest, protest or object to the forbearance by the First Priority Collateral Trustee or any other First Priority Secured Party from commencing or pursuing any foreclosure action or proceeding or any other enforcement or exercise of any rights or remedies with respect to the Collateral or to the terms or conditions applicable to any such forbearance;

(iv) will not take or receive any Collateral, or any Proceeds thereof or payment with respect thereto, in connection with the exercise of any right or enforcement of any remedy (including any right of setoff or recoupment) with respect to any Collateral or in connection with any insurance policy award under a policy of insurance relating to any Collateral or any condemnation award (or deed in lieu of condemnation) relating to any Collateral, unless it shall transfer and pay over such proceeds to the First Priority Collateral Trustee in accordance with Section 4.02;

(v) will not take any action that would, or could reasonably be expected to, hinder, in any manner, any exercise of remedies undertaken by the First Priority Collateral Trustee or any other First Priority Secured Party with respect to the Collateral under the First Priority Notes Documents, including any sale, exchange, transfer or other disposition of the Collateral, whether by foreclosure or otherwise; and

(vi) will not contest, protest or object to the manner in which the First Priority Collateral Trustee or the other First Priority Secured Parties may seek to enforce or collect any First Priority Obligations or the First Priority Liens, regardless of whether any action or failure to act by or on behalf of the First Priority Collateral Trustee or any other First Priority Secured Party is, or could be, adverse to the interests of the Second Priority Secured Parties, and will not assert, and hereby waive, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or other similar right that may be available under applicable law with respect to the Collateral or any similar rights a junior creditor may have under applicable law.

(b) Each Collateral Trustee, for itself and on behalf of the other Secured Parties under its Debt Documents, agrees that, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, such Collateral Trustee and such Secured Parties will not attempt whether by judicial proceeding or otherwise, to challenge or question the validity or enforceability of, subject to Section 10.01, any Debt Obligations or any Debt Document,

including this Agreement, or the validity or enforceability of the priorities, rights or obligations established by this Agreement.

SECTION 3.03. ***Actions upon Breach***. Should the Second Priority Collateral Trustee or any other Second Priority Secured Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, the First Priority Collateral Trustee or any other First Priority Secured Party (in its or their own name or in the name of any Grantor) may obtain relief against the Second Priority Collateral Trustee or such other Second Priority Secured Party by injunction, specific performance or other appropriate equitable relief.

ARTICLE IV

Payments

SECTION 4.01. ***Application of Proceeds***. After an Event of Default has occurred and is continuing, the Collateral or Net Proceeds thereof received in connection with the enforcement or exercise of any secured creditor right or remedy in respect of the Collateral (including any right of setoff or recoupment) or in connection with any Insolvency or Liquidation Proceeding shall be applied by the First Priority Collateral Trustee, notwithstanding any provisions of the Bankruptcy Code or any other Bankruptcy Law that may be to the contrary, (a) FIRST, subject to Section 1.03, prior to the Discharge of the First Priority Obligations (other than Excess First Priority Obligations) to the First Priority Collateral Trustee for the ratable benefit of the First Priority Secured Parties pursuant to the terms of the First Priority Notes Documents in respect of the First Priority Obligations (other than Excess First Priority Obligations), (b) SECOND, subject to Section 1.03, prior to the Discharge of Second Priority Obligations (other than Excess Second Priority Obligations) to the Second Priority Collateral Trustee for the ratable benefit of the Second Priority Secured Parties pursuant to the terms of the Second Priority Notes Documents in respect of the Second Priority Obligations (other than Excess Second Priority Obligations), (c) THIRD, subject to Section 1.03, to the First Priority Collateral Trustee for the ratable benefit of the First Priority Secured Parties pursuant to the terms of the First Priority Notes Documents in respect of the Excess First Priority Obligations, (d) FOURTH, subject to Section 1.03, to the Second Priority Collateral Trustee for the ratable benefit of the Second Priority Secured Parties pursuant to the terms of the Second Priority Notes Documents in respect of the Excess Second Priority Obligations and (e) FIFTH, to the relevant Grantors or their successors or assigns, as their interests may appear or otherwise, or as a court of competent jurisdiction may direct. For purposes of this Agreement, the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that in an Insolvency or Liquidation Proceeding of any Grantor, any debt or equity securities issued or to be issued by the reorganized or liquidating Grantor or any reorganized or liquidating Grantor that is allocated to any Second Priority Secured Party on account of the Second Priority Obligations in a plan of reorganization or liquidation shall be deemed to be proceeds of Collateral that are subject to the provisions of this Section 4.01 and the turnover provisions of Section 4.02.

SECTION 4.02. ***Payments Over***. Any Collateral or Proceeds thereof (together with the assets or proceeds thereof subject to Liens referred to in the parenthetical in Section 7.02(ii)), received by the Second Priority Collateral Trustee or any other Second Priority Secured Party in connection with the sale or other disposition of, or collection on, such Collateral from the enforcement or the exercise of any secured creditor right or remedy (including any right of setoff or recoupment) with respect to such Collateral, or in connection with any insurance policy claim or any condemnation award (or deed in lieu of condemnation), or in connection with any Insolvency or Liquidation Proceeding, shall be segregated from the funds and property of any such Second Priority Secured Party and held in trust for the First Priority Collateral Trustee and forthwith transferred or paid over to the First Priority Collateral Trustee for the benefit of the First Priority Secured Parties in the same form as received, together with any necessary endorsements (or as a court of competent jurisdiction may otherwise direct, to be distributed in accordance with the provisions of Section 4.01).

SECTION 4.03. ***Certain Agreements with Respect to Invalid or Unenforceable Liens.*** Notwithstanding anything to the contrary contained herein, if a court of competent jurisdiction makes a determination that any Lien encumbering the Collateral is not valid or enforceable for any reason, then the Second Priority Collateral Trustee and each other Second Priority Secured Party agrees that, any distribution or recovery they may receive with respect to, or allocable to, the value of the assets intended to constitute Collateral or any Proceeds thereof shall be segregated from the funds and property of such Second Priority Secured Party and held in trust for the First Priority Collateral Trustee and forthwith paid over to the First Priority Collateral Trustee for the benefit of the First Priority Secured Parties for distribution in accordance with the provisions of Section 4.01 in the same form as received without recourse, representation or warranty (other than a representation of the Second Priority Collateral Trustee that it has not otherwise sold, assigned, transferred or pledged any right, title or interest in and to such distribution or recovery) but with any necessary endorsements (or as a court of competent jurisdiction may otherwise direct).

SECTION 4.04. ***Power of Attorney***. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby appoints the First Priority Collateral Trustee, and any officer or agent of the First Priority Collateral Trustee, with full power of substitution, the attorney-in-fact of each Second Priority Secured Party for the limited purpose of providing endorsements and taking any action and executing any instrument necessary or advisable to accomplish the purposes of Sections 4.02 and 4.03, which appointment is IRREVOCABLE and coupled with an interest.

SECTION 4.05. ***Prepayments***. Except as permitted by the First Priority Indenture, without the prior written consent of First Priority Secured Parties, no Second Priority Secured Party will take, demand, or receive from any Grantor any prepayment of principal (whether optional, voluntary, mandatory, or otherwise or by set-off, redemption, defeasance, or other payment or distribution) with respect to any Second Priority Obligations. If any such prepayments are received, at any time before the Discharge of First Priority Obligations by one or more of the Second Priority Secured Parties, they shall be held in trust for the benefit of the First Priority Secured Parties and forthwith paid over to First Priority Collateral Agent for the benefit of the First Priority Secured Parties.

SECTION 4.06. ***Application of Proceeds of Excluded Collateral***. In the event that Proceeds of Excluded Collateral are received by any Second Priority Secured Party in connection with a sale, transfer or other disposition of Excluded Collateral, such Proceeds shall be segregated and held in trust for the benefit of the First Priority Secured Parties and forthwith paid over to the First Priority Collateral Trustee for the benefit of the First Priority Secured Parties for distribution in accordance with the provisions of Section 4.01 in the same form as received.

ARTICLE V

Other Agreements

SECTION 5.01. ***Releases***. (a) The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that if, at any time, the First Priority Collateral Trustee enforces or exercises any rights or remedies in respect of the Collateral, and in connection therewith takes action to release any Liens over such Collateral or otherwise releases any Liens over such Collateral during the existence of an Event of Default, then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens granted to the Second Priority Collateral Trustee and the other Second Priority Secured Parties shall terminate and be released, automatically, unconditionally and without any further action; *provided*, that Net Proceeds are applied in accordance with Section 4.01. In addition, the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that, in the event of (A) a sale, transfer or other disposition of all or a portion of the Collateral (including all or substantially all of the Equity Interests of any Subsidiary) or (B) the release of any Grantor from its obligations under its guarantee of the First Priority Obligations relating to the First Priority Secured Parties (in each case other than in connection with the enforcement or exercise of any rights or remedies in respect of the Collateral by the First Priority Collateral Trustee), Liens granted to the Second Priority Collateral Trustee and the other Second Priority Secured Parties upon such Collateral to secure the Second Priority Obligations and the obligations of such Grantor under its guarantee of such Second Priority Obligations shall terminate and be released, automatically, unconditionally and without any further action, concurrently with the termination and release of all Liens granted upon such Collateral to secure, or such guarantee with respect to, the Debt Obligations relating to the First Priority Secured Parties with such Liens attaching to the proceeds of such Collateral, if any, in accordance with the priorities set forth in this Agreement. The Second Priority Collateral Trustee agrees to promptly execute, deliver or acknowledge, at the applicable Grantor's sole cost and expense (in accordance with Section 7.06 of the Second Priority Indenture), such instruments to evidence such termination and release of the Liens or the guarantees, as the case may be. The First Priority Collateral Trustee is authorized to release the relevant Collateral in the circumstances described above and is authorized to, at the cost of the Issuers (in accordance with Section 7.06 of the First Priority Indenture), sign all documentation and take all other steps as are reasonably requested by the relevant Grantor to give effect to such release, all without recourse to or warranty by the First Priority Collateral Trustee or the Second Priority Collateral Trustee and at the sole cost and expense of the Issuers and the relevant Grantor in accordance with Section 7.06 of the applicable Indenture.

(b) The First Priority Collateral Trustee shall have the right to release Liens on Collateral, to the extent not prohibited under the First Priority Notes Documents and the Second Priority Notes Documents (or in respect of which all necessary consents or waivers are granted). The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby irrevocably constitutes and appoints the First Priority Collateral Trustee, and any officer or agent of the First Priority Collateral Trustee, with full power of substitution, the attorney-in-fact of each Secured Party for the purpose of carrying out the provisions of Section 5.01(a) and (b) and taking any action and executing any instrument necessary or advisable to accomplish the purposes of Section 5.01(a) and (b) (with respect to any termination statements, endorsements or other instruments of transfer or release), which appointment is IRREVOCABLE and coupled with an interest.

(c) The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby consents to the application (subject to Section 4.01) of Proceeds of Collateral to the repayment or redemption of the First Priority Obligations pursuant to the First Priority Notes Documents (it being understood that such Proceeds shall be applied in accordance with Section 4.01); provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Second Priority Collateral Trustee or the other Second Priority Secured Parties to receive Proceeds in connection with the Second Priority Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Security Document, in the event that the terms of a First Priority Security Document and a Second Priority Security Document each require any Grantor (i) to make payment in respect of any item of Collateral, (ii) to deliver or afford control over any item of Collateral to, or deposit any item of Collateral with, (iii) to register ownership of any item of Collateral in the name of or make an assignment of ownership of any Collateral or the rights thereunder to, (iv) to cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Collateral, with instructions or orders from, or to treat, in respect of any item of Collateral, as the entitlement holder, (v) to hold any item of Collateral in trust for (to the extent such item of Collateral cannot be held in trust for multiple parties under applicable law), (vi) to obtain the agreement of a bailee or other third-party to hold any item of Collateral for the benefit of or subject to the control of or, in respect of any item of Collateral, or (vii) to follow the instructions of, in any case, more than one Collateral Trustee, such Grantor may comply with such requirement under the applicable Security Document as it relates to such Collateral by taking any of the actions set forth above only with respect to, or in favor of, the First Priority Collateral Trustee.

SECTION 5.02. ***Insurance and Condemnation Awards***. Until the Discharge of the First Priority Obligations, the First Priority Collateral Trustee and each other First Priority Secured Party shall have the exclusive right, as among the Collateral Trustees and the Secured Parties and subject to the rights of the Grantors under the First Priority Notes Documents, to settle and adjust claims in respect of Collateral under policies of insurance covering Collateral and to approve any award granted in any condemnation or similar proceeding, or any deed in lieu of condemnation, in respect of the Collateral. All the proceeds of any such policy and any such award, or any payments

with respect to a deed in lieu of condemnation, shall (a) *first*, prior to the Discharge of First Priority Obligations (other than Excess First Priority Obligations) and subject to the provisions of, and the rights of the Grantors under, the First Priority Notes Documents, and subject to Section 1.03, be paid to the First Priority Collateral Trustee for the ratable benefit of the First Priority Secured Parties pursuant to the terms of the First Priority Notes Documents in respect of the First Priority Obligations (other than Excess First Priority Obligations), (b) *second*, after the Discharge of First Priority Obligations (other than Excess First Priority Obligations) and subject to the provisions of, and the rights of the Grantors under, the Second Priority Notes Documents, and subject to Section 1.03, be paid to the Second Priority Collateral Trustee for the ratable benefit of the Second Priority Secured Parties pursuant to the terms of the Second Priority Notes Documents in respect of the Second Priority Obligations (other than the Excess Second Priority Obligations), (c) *third*, subject to the provisions of, and the rights of the Grantors under, the First Priority Notes Documents, and subject to Section 1.03, be paid to the First Priority Collateral Trustee for the ratable benefit of the First Priority Secured Parties pursuant to the terms of the First Priority Notes Documents in respect of Excess First Priority Obligations, (d) *fourth,* subject to the provisions of, and the rights of the Grantors under, the Second Priority Notes Documents, and subject to Section 1.03, be paid to the Second Priority Collateral Trustee for the ratable benefit of the Second Priority Secured Parties pursuant to the terms of the Second Priority Notes Documents in respect of Excess Second Priority Obligations, and (e) *fifth*, if no Second Priority Obligations are outstanding, be paid to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If the Second Priority Collateral Trustee or any other Second Priority Secured Party shall, at any time, receive any proceeds of any such insurance policy or any such award or payment, it shall transfer and pay over such proceeds to the First Priority Collateral Trustee in accordance with Section 4.02.

SECTION 5.03. ***Second Priority Security Documents***. (a) The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that each Second Priority Notes Document shall contain provisions substantially in the form of provisions set forth in Annex II hereto providing that such documents, instruments or agreements are subject to this Agreement and, in the event of any conflicts or inconsistencies between such other documents, instruments or agreements on one hand and this Agreement on the other, the terms of this Agreement shall control.

(b) In the event that the First Priority Collateral Trustee and/or the other First Priority Secured Parties and the relevant Grantor enter into any amendment, modification, waiver or consent in respect of any of the First Priority Security Documents, then such amendment, modification, waiver or consent shall apply automatically to any comparable provision of each comparable Second Priority Security Document, in each case, without the consent of the Second Priority Collateral Trustee or any other Second Priority Secured Party, the Issuers or any other Grantor; *provided*, that (i) no such amendment, modification, waiver or consent shall (x) remove assets subject to the Second Priority Liens or release any such Liens, except to the extent that such release is permitted or required by Section 5.01 and *provided* that there is a concurrent release of the corresponding First Priority Liens or (y) amend, modify or otherwise adversely affect the duties of the Second Priority Collateral Trustee in its capacity as such without its prior written consent and (ii) written notice of such amendment, modification, waiver or consent shall

have been given to the Second Priority Collateral Trustee within ten (10) Business Days after the effectiveness of such amendment, modification, waiver or consent; *provided* that the failure to give such notice shall not affect the effectiveness of such amendment, modification, waiver or consent with respect to the provisions of any Second Priority Security Documents as set forth in this Section 5.03(b) and shall not result in the occurrence or continuance of an event of default or default under any Debt Document.

SECTION 5.04. ***Rights as Unsecured Creditors***. Notwithstanding anything to the contrary in this Agreement, any Collateral Trustee and any Secured Party may enforce rights and exercise remedies as unsecured creditors against any Grantor in accordance with the terms of the applicable Debt Documents and applicable law so long as such rights and remedies are not inconsistent with this Agreement. Nothing in this Agreement shall prohibit the receipt by any Collateral Trustee or any other Secured Party of the required payments of principal, premium, interest, fees and other amounts due under the Debt Documents so long as such receipt is not the direct or indirect result of the enforcement or exercise by such Collateral Trustee or such Secured Party of rights or remedies as a secured creditor (including any right of setoff or recoupment) or enforcement of its rights against the Collateral in contravention of this Agreement (including any judgment lien resulting from the exercise of remedies available to an unsecured creditor, to the extent such judgment lien applies to the Collateral). In the event any Collateral Trustee or any other Secured Party becomes a judgment lien creditor in respect of the Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of applicable Debt Obligations, such judgment lien shall have the same priority and ranking vis-à-vis the other Secured Parties hereunder as set forth in this Agreement. As between Grantors and the First Priority Collateral Trustee and the other First Priority Secured Parties, or as between Grantors and the Second Priority Collateral Trustee and the other Second Priority Secured Parties, nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the First Priority Collateral Trustee or any other First Priority Secured Parties may have with respect to the Collateral.

SECTION 5.05. ***Gratuitous Bailee for Perfection***. (a) The First Priority Collateral Trustee acknowledges and agrees that if it shall at any time hold a Lien securing any Debt Obligations with respect to the First Priority Secured Parties or otherwise on any Collateral that can be perfected by the possession or control of such Collateral or of any account in which such Collateral is held or credited, and if such Collateral or any such account is in fact in the possession or under the control of the First Priority Collateral Trustee, or of agents or bailees of such Person (such Collateral being referred to herein as the "***Pledged or Controlled Collateral***"), the First Priority Collateral Trustee shall also hold such Pledged or Controlled Collateral as sub-agent and gratuitous bailee (such bailment and agency being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2), 9-313(c), 9-104, 9-105, 9-106, and 9-107 of the UCC) for the Second Priority Collateral Trustees and other Second Priority Secured Parties, in each case solely for the purpose of perfecting the Liens granted under the applicable Security Documents and subject to the terms and conditions of this Section 5.05. Pending delivery to the First Priority Collateral Trustee, the Second Priority Collateral Trustee agrees to hold any Pledged or Controlled Collateral from time to time in its possession, as a sub-agent and gratuitous bailee for the benefit of each other Secured Party and any assignee, solely for the purpose of perfecting the security

interest granted in such Pledged or Controlled Collateral, if any, pursuant to the applicable Security Documents, in each case subject to the terms and conditions of this Section 5.05.

(b) Until the Discharge of the First Priority Obligations, the First Priority Collateral Trustee and the other First Priority Secured Parties shall be entitled to deal with the Collateral (including any Pledged or Controlled Collateral) in accordance with the terms of this Agreement and their Debt Documents. The rights of the Second Priority Collateral Trustee and the other Second Priority Secured Parties with respect to the Collateral shall at all times be subject to the terms of this Agreement.

(c) Neither the First Priority Collateral Trustee and the other First Priority Secured Parties, nor the Second Priority Collateral Trustee and the other Second Priority Secured Parties, shall have any obligation whatsoever to the other Collateral Trustee or to the other Secured Parties to assure that any of the Collateral (including the Pledged or Controlled Collateral) is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Collateral, except as expressly set forth in this Section 5.05. The duties or responsibilities of the Collateral Trustees and the Secured Parties under this Section 5.05 shall be limited solely to holding or controlling the Pledged or Controlled Collateral and the related Liens referred to in paragraphs (a) and (b) of this Section 5.05 as sub-agent and gratuitous bailee for the other Collateral Trustee for purposes of perfecting the Lien held by such Collateral Trustee.

(d) The First Priority Collateral Trustee and the other First Priority Secured Parties shall not have by reason of the Second Priority Security Documents or this Agreement, or any other document, a fiduciary relationship in respect of the Second Priority Collateral Trustee or any other Second Priority Secured Party, and the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby waives and releases the First Priority Collateral Trustee from all claims and liabilities arising pursuant to their roles under this Section 5.05 as sub-agents and gratuitous bailees with respect to the Collateral.

(e) The Second Priority Collateral Trustee shall, at the Grantors' sole cost and expense (in accordance with Section 7.06 of the Second Priority Indenture), (i) deliver or cause to be delivered to the First Priority Collateral Trustee, to the extent that it is legally permitted to do so, all Collateral, including all Proceeds thereof, held or controlled by the Second Priority Collateral Trustee or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to securities intermediaries and commodities intermediaries or (ii) direct and deliver or cause to be delivered such Collateral as a court of competent jurisdiction may otherwise direct.

(f) None of the First Priority Collateral Trustee and the other First Priority Secured Parties shall be required to marshal any present or future collateral security for any obligations of the Issuers or their respective Subsidiaries to the Second Priority Collateral Trustee or any other Second Priority Secured Party or any assurance of payment in respect thereof, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising.

ARTICLE VI

Matters Relating to First Priority Notes Documents and Second Priority Notes Documents

SECTION 6.01. ***Matters Relating to First Priority Notes Documents***. The First Priority Collateral Trustee (for itself and on behalf of each other First Priority Secured Party) and the Second Priority Collateral Trustee (for itself and on behalf of each other Second Priority Secured Party) hereby agree that the First Priority Notes Documents may be amended, waived, restated, supplemented or otherwise modified in accordance with their terms; *provided*, *however*, that, without the prior written consent of the Second Priority Collateral Trustee (acting at the direction of Holders of the requisite principal amount of the Securities (as defined in the Second Priority Indenture) (including PIK Securities) then outstanding under the Second Priority Indenture), no such amendment, waiver, restatement, supplement or modification shall result in, or have the effect of: (a) contravening the provisions of this Agreement; (b) changing (or adding) any limitations (more restrictive than those contained in the First Priority Indenture (as in effect on the date hereof)) on the payment of Second Priority Obligations; (c) amending, waiving, consenting to any variations of, or otherwise modifying the provisions relating to restrictions and prohibitions on assignments or sales of First Priority Obligations to any Grantor or any Affiliate of a Grantor set forth in the First Priority Notes Documents in a manner that is less restrictive (as determined by the First Priority Collateral Trustee (acting at the direction of Holders of the requisite principal amount of the Securities (as defined in the Second Priority Indenture) (including PIK Securities) then outstanding under the First Priority Indenture) acting in good faith) than the restrictions and prohibitions set forth in the First Priority Indenture on the date hereof; (d) increasing the aggregate principal balance of the notes under the First Priority Obligations in excess of the First Priority Debt Cap; (e) extending the scheduled maturity of the First Priority Indenture or any Refinancing thereof beyond the scheduled maturity of the Second Priority Indenture or any Refinancing thereof; or (f) increasing the interest rate (whether in cash or in kind) applicable to the Debt outstanding under the First Priority Notes Documents by more than 3.00% per annum (the "***First Priority Debt Margin Cap***"); *provided* that (i) the following shall be deemed to be increases in interest rate for purposes of calculating the First Priority Debt Margin Cap: any recurring fee payable to all holders of such Debt in their capacities as such and (ii) the following shall be deemed not to be increases in interest rate for purposes of calculating the First Priority Debt Margin Cap: (1) any upfront fees or any original issue discount (collectively, "***OID***"); (2) the accrual of interest at the default rate of interest (as in effect today); (3) any amendment, waiver, consent or forbearance related fees and expenses payable in the event of an amendment, amendment and restatement, replacement, supplement, forbearance or modification; and (4) arrangement, commitment, underwriting, structuring, amendment or other fees and expenses paid or payable to any agent, arranger, underwriter, trustee or similar Person in their respective capacities as such and any Applicable Premiums or other prepayment or redemption premiums.

SECTION 6.02. ***Matters Relating to Second Priority Notes Documents***. The First Priority Collateral Trustee (for itself and on behalf of each other First Priority Secured Party) and the Second Priority Collateral Trustee (for itself and on behalf of each other Second Priority Secured Party) hereby agree that the Second Priority Notes Documents may be amended, restated,

supplemented, waived or otherwise modified in accordance with their terms, in each case, without the consent of any First Priority Secured Party; *provided*, *however*, that, without the prior written consent of the First Priority Collateral Trustee (acting at the direction of Holders of the requisite principal amount under the First Priority Indenture of the Securities (as defined in the First Priority Indenture) (including PIK Securities) then outstanding), no such amendment, restatement, supplement, waiver or modification shall result in, or have the effect of: (a) contravening the provisions of this Agreement; (b) changing (or adding) any limitations (more restrictive than those contained in the First Priority Indenture (as in effect on the date hereof)) on the payment of First Priority Obligations; (c) advancing the dates of any scheduled payment of principal (including the final maturity date) or of interest on Debt under the Second Priority Notes Documents; (d) changing the mandatory prepayment or redemption provisions set forth in the Second Priority Notes Documents in a manner adverse to the First Priority Secured Parties; (e) amending, waiving, consenting to any variations of, or otherwise modifying the provisions relating to restrictions and prohibitions on assignments or sales of Second Priority Obligations to any Grantor or any Affiliate of a (i) Grantor or (ii) their respective subsidiaries set forth in the respective Second Priority Notes Documents in a manner that is less restrictive (as determined by the Second Priority Collateral Trustee (acting at the direction of Holders of the requisite principal amount under the Second Priority Indenture of the Securities (as defined in the Second Priority Indenture) (including PIK Securities) acting in good faith) than the restrictions and prohibitions set forth in the Second Priority Indenture on the date hereof; (f) increasing the aggregate principal balance of the notes under the Second Priority Obligations in excess of the Second Priority Debt Cap; (g) increasing the interest rate (whether in cash or in kind) applicable to the Debt outstanding under the Second Priority Notes Documents by more than 2.00% per annum (the "***Second Priority Debt Margin Cap***"); *provided* that (i) the following shall be deemed to be increases in interest rate for purposes of calculating the Second Priority Debt Margin Cap: any recurring fee payable to all holders of such Debt in their capacities as such; and (ii) the following shall be deemed not to be increases in interest rate margin for purposes of calculating the Second Priority Debt Margin Cap: (1) any OID, (2) the accrual of interest at the default rate of interest (in effect on the date hereof); (3) any amendment, waiver, consent or forbearance related fees and expenses payable in the event of an amendment, amendment and restatement, replacement, supplement, forbearance or modification; and (4) arrangement, commitment, underwriting, structuring, amendment or other fees and expenses paid or payable to any agent, arranger, underwriter, trustee or similar Person in their respective capacities as such and any prepayment or redemption premiums; or (h) add or modify in a manner materially adverse to any Grantor any covenant or event of default under the Second Priority Notes Documents (except to the extent necessary to conform to changes made to the First Priority Notes Documents, excluding changes related to the first priority status of the First Priority Obligations and subject to the preservation of cushions on dollar amounts and percentages consistent with those contained in the Second Priority Notes Documents in effect prior to such addition or modification).

ARTICLE VII

Insolvency or Liquidation Proceedings.

SECTION 7.01. ***Financing Issues***. Subject to the final sentence of this Section 7.01, the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured

Party, agrees that, in the event of any Insolvency or Liquidation Proceeding, such Second Priority Secured Parties (i) will not oppose or object to (and will not otherwise contest or support any party objecting to) the use of any Collateral constituting cash collateral under Section 363 of the Bankruptcy Code (including, for the avoidance of doubt, the approval of bidding procedures in connection therewith or any other related ancillary matters), or any comparable provision of any other Bankruptcy Law, *provided* that such use of Collateral complies with the DIP Financing/Cash Collateral Conditions, unless the First Priority Secured Parties, or a representative authorized by the requisite First Priority Secured Parties, shall oppose or object to such use of cash collateral (in which case, the Second Priority Collateral Trustee and each other Second Priority Secured Party shall not seek any relief in connection therewith that is inconsistent with the relief being sought by the First Priority Secured Parties), (ii) will not oppose or object to (and will not otherwise contest or support any party objecting to) any post-petition financing, whether provided by any First Priority Secured Party or any other Person, under Section 364 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law (a "***DIP Financing***"), or the Liens securing any DIP Financing ("***DIP Financing Liens***"), *provided* that such DIP Financing complies with the DIP Financing/Cash Collateral Conditions, unless the First Priority Secured Parties, or a representative authorized by the requisite First Priority Secured Parties, shall then oppose or object to such DIP Financing and DIP Financing Liens; *provided, further,* that the foregoing shall not prevent the Second Priority Secured Parties or their Affiliates from proposing any other DIP Financing that complies with the DIP Financing/Cash Collateral Conditions to any Grantor or to a court of competent jurisdiction, unless any First Priority Secured Party is proposing a DIP Financing that complies with the DIP Financing/Cash Collateral Conditions and so long as such DIP Financing shall be subject in all respects to this Agreement, (iii) except to the extent permitted by Section 7.02, in connection with the use of cash collateral as described in clause (i) above or a DIP Financing, will not request adequate protection or any other relief in connection with such use of cash collateral, DIP Financing or DIP Financing Liens and (iv) will not oppose or object to (and will not otherwise contest or support any party objecting to) any sale, transfer or other disposition of any Collateral free and clear of the Second Priority Liens or other claims under Section 363 of the Bankruptcy Code or any comparable provision of any other Bankruptcy Law (including, for the avoidance of doubt, the approval of bidding procedures in connection therewith or any other related or ancillary matters) (a "***363 Sale***"), if the First Priority Secured Parties, or a representative authorized by the requisite First Priority Secured Parties, shall consent to such sale or other disposition; *provided*, that, (a) pursuant to a court order, the Second Priority Liens attach to the Net Proceeds of such sale or disposition with the same priority and validity as the Second Priority Liens in such Collateral and (b) the Net Proceeds of the 363 Sale are applied to the Debt Obligations in accordance with Section 4.01; *provided further* that the Second Priority Secured Parties shall retain the right to credit bid their claims (and their rights under Section 363(k) of the Bankruptcy Code shall not be impaired), to the extent the credit bid is authorized or accepted by the applicable bankruptcy court, in connection with any such sale in a transaction that provides for the Discharge of the First Priority Obligations on the closing date of such sale. In connection with any DIP Financing or use of cash collateral proposed by any First Priority Secured Party or any other Person (except any Second Priority Secured Party), the Second Priority Secured Parties further agree that: (1) adequate notice to the Second Priority Secured Parties for any DIP Financing or use of cash collateral shall be deemed to have been given to the Second Priority Secured Parties if the Second Priority Collateral Trustee receives notice at least two (2) Business Days in advance

of the hearing to approve such DIP Financing or use of cash collateral on an interim basis and at least three (3) Business Days in advance of the hearing to approve such DIP Financing or use of cash collateral on a final basis; (2) such DIP Financing (and any First Priority Obligations) may be secured by Liens on all or a part of the assets of the Grantors that shall be superior in priority to the Liens on the assets of the Grantors held by any other Person or *pari passu* with the First Priority Liens; (3) the Second Priority Secured Parties consent to, and will, subordinate (and will be deemed hereunder to have subordinated) their Liens (A) to the DIP Financing Liens, on the same terms (but on a basis junior to the First Priority Liens) as the First Priority Liens are subordinated thereto or, if the First Priority Obligations are "rolled-up" in the DIP Financing, on the same terms as the Second Priority Liens are currently subordinated to the First Priority Liens (and such subordination will not alter in any manner the terms of this Agreement), (B) to any "replacement Liens" or Liens on additional collateral granted to the First Priority Secured Parties as adequate protection of their interests in the Collateral and (C) to any customary "carve-out" agreed to by the First Priority Collateral Trustee in writing (or granted pursuant to any order in any Insolvency or Liquidation Proceeding to which the First Priority Collateral Trustee did not object) to be paid prior to the Discharge of the First Priority Obligations (an "***Administrative Carveout***"); and (4) the payment of any Administrative Carveout will be deemed for purposes of this Section 7.01 to be a use of cash collateral.

SECTION 7.02. ***Adequate Protection***. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that none of them shall contest, join or otherwise support any other Person in contesting (a) any request by the First Priority Collateral Trustee or any other First Priority Secured Parties for adequate protection or (b) any objection, based on a claim of a lack of adequate protection, by the First Priority Collateral Trustee or any other First Priority Secured Parties to any motion, relief, action or proceeding. Notwithstanding anything contained in this Section 7.02 or in Section 7.01, if, in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of the Bankruptcy Code or any similar Bankruptcy Law, (i) any First Priority Secured Party is granted adequate protection in the form of a Lien on additional collateral, then the Second Priority Collateral Trustee may, for itself and on behalf of the other Second Priority Secured Parties, seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the First Priority Liens and the Liens on such collateral securing the DIP Financing (and all obligations relating thereto) on the same basis as the other Second Priority Liens are subordinated to the other First Priority Liens as set forth in this Agreement, or (ii) any Second Priority Secured Party is granted adequate protection in the form of a Lien on additional collateral, then the First Priority Collateral Trustee shall, for itself and on behalf of the other First Priority Secured Parties, be entitled to be granted adequate protection in the form of a Lien on such additional collateral that is senior to such Second Priority Lien as security for the First Priority Obligations (and, to the extent such First Priority Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Second Priority Secured Party pursuant to or as a result of any Lien on such additional collateral so granted to such Second Priority Secured Party shall be subject to Section 4.02).

SECTION 7.03. ***Relief from the Automatic Stay***. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, agrees that none of

them shall (a) seek, or support any other Person in seeking, relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding or take any action in derogation thereof, in each case in respect of any Collateral or any Proceeds thereof, without the prior written consent of the First Priority Collateral Trustee or (b) oppose any request by the First Priority Collateral Trustee or any First Priority Secured Party to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Collateral.

SECTION 7.04. ***Preference Issues***. If any Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise, or elects on the reasonable advice of counsel, to disgorge, turn over or otherwise pay any amount to the estate of any Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any such amount (a "***Recovery***"), whether received as Proceeds of security, enforcement of any right of setoff or recoupment or otherwise, then the applicable Debt Obligations, shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and such Secured Parties shall be entitled to the benefits of this Agreement with respect to all such recovered amounts (and no Discharge of such Debt Obligations will be deemed to have occurred for all purposes hereunder). If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 7.05. ***Separate Grants of Security and Separate Classifications***. The Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, acknowledges and agrees that (a) the grants of Liens pursuant to the First Priority Security Documents and the Second Priority Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Collateral, the Second Priority Obligations are fundamentally different from the First Priority Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that any claims of the First Priority Secured Parties and the Second Priority Secured Parties in respect of the Collateral constitute claims in the same class (rather than separate classes of senior secured claims and junior secured claims), then the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby acknowledges and agrees that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Collateral (with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest

(whether or not allowed or allowable) before any distribution (other than a distribution of reorganization securities in accordance with Section 7.11(a)) is made in respect of the Second Priority Obligations, with the Second Priority Collateral Trustee, for itself and on behalf of each other Second Priority Secured Party, hereby acknowledging and agreeing to turn over to the First Priority Collateral Trustee amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties.

SECTION 7.06. ***Post-Petition Interest***. (a) The Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, agrees that no such Second Priority Secured Party shall oppose or seek to challenge any claim by the First Priority Collateral Trustee or any other First Priority Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Priority Obligations consisting of Post-Petition Interest to the extent of the value of the applicable First Priority Liens (it being understood and agreed by the Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, that such value shall be determined without regard to the existence of the Second Priority Liens on the Collateral).

(b) The First Priority Collateral Trustee, for itself and on behalf of the other First Priority Secured Parties, agrees that no such First Priority Secured Party shall oppose or seek to challenge any claim by the Second Priority Collateral Trustee or any other Second Priority Secured Party for allowance in any Insolvency or Liquidation Proceeding of Second Priority Obligations consisting of Post-Petition Interest to the extent of the value of the Second Priority Liens (it being understood and agreed by the First Priority Collateral Trustee, for itself and on behalf of the other First Priority Secured Parties, and by the Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, that such value shall be determined taking into account the First Priority Liens on the Collateral).

SECTION 7.07. ***No Waivers of Rights of First Priority Secured Parties***. Other than with respect to the Permitted Actions or as otherwise expressly set forth herein, nothing contained herein shall prohibit or in any way limit the First Priority Collateral Trustee or any other First Priority Secured Party from opposing, challenging or objecting to, in any Insolvency or Liquidation Proceeding or otherwise, any action taken, or any claim made, by the Second Priority Collateral Trustee or any other Second Priority Secured Party, including any request by the Second Priority Collateral Trustee or any such other Second Priority Secured Party for adequate protection or any exercise by the Second Priority Collateral Trustee or any such other Second Priority Secured Party of any of its rights and remedies under the Second Priority Notes Documents or otherwise.

SECTION 7.08. ***Certain Waivers by the Second Priority Secured Parties***. The Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, (i) waives any claim any such Second Priority Secured Party may hereafter have against any First Priority Secured Party arising out of (a) the election by any First Priority Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code or any comparable provision of any other Bankruptcy Law, (b) any use of cash collateral or financing arrangement, or any grant of a security interest in the Collateral, in any Insolvency or Liquidation Proceeding, in each case in

compliance with Sections 7.01 and 7.02, or (c) solely to the extent not adversely affecting the relative rights of any Second Priority Secured Party vis-a-vis the First Priority Secured Parties hereunder, any failure to comply with this Agreement by a First Priority Secured Party; and (ii) agrees that, in the case of any such election referred to in subclause (a)(i) above, no Second Priority Secured Party shall have any claim or right to payment with respect to the Collateral in such Insolvency or Liquidation Proceeding.

SECTION 7.09. ***Application***. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation Proceeding. The relative rights of the Secured Parties as to the Collateral and Proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 7.10. ***506(c) Claims***. Until the Discharge of the First Priority Obligations has occurred, the Second Priority Collateral Trustee, on behalf of itself and each other Second Priority Secured Party, agrees that it will not assert or enforce any claim under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law senior to or on a parity with any of the Liens securing the First Priority Obligations for costs or expenses of preserving or disposing of any Collateral.

SECTION 7.11. ***Reorganization Securities***.

(a) If, in any Insolvency or Liquidation Proceeding:

(i) equity securities of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of First Priority Obligations by virtue of the Collateral securing the First Priority Obligations and on account of Second Priority Obligations by virtue of the Collateral securing the Second Priority Obligations, then the priorities of such equity securities must be consistent with the provisions of this Agreement; and

(ii) debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of the First Priority Obligations and the Second Priority Obligations, then, to the extent the debt obligations distributed on account of the First Priority Obligations and on account of the Second Priority Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(b) Subject to Article IV hereof and any other provisions with respect to proceeds of Collateral, nothing in this Agreement shall impair, as between Grantors and the First Priority Collateral Trustee and the other First Priority Secured Parties, or as between Grantors and the Second Priority Collateral Trustee and the other Second Priority Secured Parties, the obligations of Grantors to pay principal, interest, fees and other amounts as provided in the First Priority Notes Documents and the Second Priority Notes Documents, respectively.

SECTION 7.12. ***Plan of Reorganization***. In no event shall the Second Priority Collateral Trustee or any other Second Priority Secured Party support or vote in favor of any plan of reorganization (and each shall be deemed to have voted to reject any plan of reorganization) in any Insolvency or Liquidation Proceeding, unless such plan of reorganization (i) provides for the Discharge of First Priority Obligations or (ii) is proposed or supported by the requisite number and amount of First Priority Secured Parties as required under Section 1126(d) of the Bankruptcy Code.

SECTION 7.13. ***Filing of Motions.*** Until the Discharge of the First Priority Obligations has occurred, the Second Priority Collateral Trustee agrees, on behalf of itself and each Second Priority Secured Party, that no Second Priority Secured Party shall, in or in connection with any Insolvency or Liquidation Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case that violates, or is prohibited by, this Section 7.13 (or, in the absence of any Insolvency or Liquidation Proceeding, otherwise would violate, be inconsistent with, or be prohibited by this Agreement), including, without limitation, with respect to the determination of any Liens or claims held by any First Priority Collateral Trustee (including the validity and enforceability thereof) or any other First Priority Secured Party in respect of any Collateral on which a First Priority Lien has been granted; provided that notwithstanding this Section 7.13 to the contrary, the Second Priority Collateral Trustee or the other Second Priority Secured Parties may (i) file a proof of claim or statement of interest with respect to the Second Priority Obligations; (ii) file any necessary responsive or defensive pleadings in opposition to any motion, filing, application, claim, adversary proceeding, proposal, plan of reorganization, arrangement or composition or other pleading made by any Person objecting to or otherwise seeking the disallowance, subordination or recharacterization of the claims of the Second Priority Secured Parties, including any claims secured by the Collateral; (iii) vote on any plan of reorganization, plan of arrangement or composition or liquidation and make any arguments and motions in connection therewith that do not, in any case, contravene the terms of this Agreement; or (iv) credit bid their debt in accordance with Section 7.01; provided that any such bid for any Collateral by any of the Second Priority Secured Parties must provide for payment in cash of the full amount necessary to cause the Discharge of the First Priority Obligations.

SECTION 7.14. ***Collateral Dispositions***. The Second Priority Collateral Trustee, on behalf of itself and each Second Priority Secured Party, agrees that it will raise no objection to (and will not otherwise contest or support any party objecting to) (a) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior-Lien Obligations made by the First Priority Collateral Trustee or any First Priority Secured Party, (b) any lawful exercise by any First Priority Secured Party of the right to credit bid First Priority

Lien Obligations at any sale of the Collateral with respect to which First Priority Liens have been granted, or (c) any other request for judicial relief made in any court by any First Priority Secured Party relating to the lawful enforcement of any Lien on the Collateral with respect to which First Priority Liens have been granted.

ARTICLE VIII

Representations and Warranties

SECTION 8.01. ***Representations and Warranties of Each Party***. Each party hereto represents and warrants to the other parties hereto as follows:

(a) Such party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(b) This Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

SECTION 8.02. ***Representations and Warranties of Each Collateral Trustee***. Each Collateral Trustee represents and warrants to the other parties hereto that it has been authorized by the respective Secured Parties under its Debt Documents to enter into this Agreement.

ARTICLE IX

Reliance; etc.

SECTION 9.01. ***Reliance; Information***. The consent by the First Priority Secured Parties to the execution and delivery of the Second Priority Notes Documents and all notes and other extensions of credit made or deemed made on and after the Issue Date by the First Priority Secured Parties (other than the First Priority Collateral Trustee and the Trustee under the First Priority Indenture) to the Issuers or any Guarantor shall be deemed to have been given and made in reliance upon this Agreement. The Second Priority Collateral Trustee, on behalf of each Second Priority Secured Party (other than the Second Priority Collateral Trustee and the Trustee under the Second Priority Indenture), acknowledges that such Second Priority Secured Parties have, independently and without reliance on the First Priority Collateral Trustee or any other First Priority Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Second Priority Notes Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decisions in taking or not taking any action under the Second Priority Notes Documents or this Agreement.

SECTION 9.02. ***No Warranties or Liability***. (a) Each Collateral Trustee, on behalf of itself and each other Secured Party under its Debt Documents, acknowledges and agrees that, except for the representations and warranties set forth in Article VIII, neither Collateral Trustee nor any other Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Debt Documents, the ownership of any Collateral or the perfection or priority of any Lien thereon. The applicable Secured Parties will be entitled to manage and supervise their respective notes and extensions of credit under their applicable Debt Documents in accordance with such Debt Documents and applicable law and as they may otherwise, in their sole discretion, deem appropriate, and may manage their notes and extensions of credit without regard to any rights or interests that any other Collateral Trustee or Secured Parties have in the Collateral or otherwise, except as otherwise provided in this Agreement.

(b) Except solely to the extent expressly set forth in this Agreement, (i) neither the First Priority Collateral Trustee nor the other First Priority Secured Parties shall have any express or implied duty to the Second Priority Collateral Trustee or any other Second Priority Secured Party, and (ii) neither the Second Priority Collateral Trustee nor the other Second Priority Secured Parties shall have any express or implied duty to the First Priority Collateral Trustee or any First Priority Secured Parties.

(c) The Second Priority Collateral Trustee, for itself and on behalf of the other Second Priority Secured Parties, agrees that no First Priority Secured Party shall have any liability to the Second Priority Collateral Trustee or other Second Priority Secured Parties, and hereby waives any claim against any First Priority Secured Party arising out of any and all actions that the First Priority Collateral Trustee or any other First Priority Secured Parties may take or permit or omit to take not in contravention of the terms and provisions of this Agreement with respect to (i) the collection of the First Priority Obligations or (ii) the maintenance of, the preservation of, the foreclosure upon or the sale or other disposition of any Collateral.

SECTION 9.03. ***Obligations Absolute.*** The Lien priorities provided for herein and the respective rights, interests, agreements and obligations hereunder of the Collateral Trustees and the other Secured Parties shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any portion of any Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the First Priority Indenture or any other First Priority Notes Document or of the terms of the Second Priority Indenture or any other Second Priority Notes Document;

(c) the securing of any Debt Obligations with any additional collateral or guarantees, or any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the First Priority Obligations (or the First Priority Notes Documents) or Second Priority Obligations (or the Second Priority Notes Documents) or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of any Grantor;

(e) any amendment, restatement, supplement, replacement, Refinancing, extension, restructuring or other modification of any of the First Priority Lien Documents in any manner whatsoever (other than in a manner that would contravene the provisions of this Agreement);

(f) any other circumstances that otherwise might constitute a defense available to, or a discharge of, (i) any Grantor in respect of any First Priority Obligations or (ii) any Collateral Trustee or other Secured Party in respect of this Agreement.

ARTICLE X

Miscellaneous

SECTION 10.01. ***Conflicts***. In the event of any conflict between the provisions of this Agreement and the provisions of the First Priority Notes Documents or the Second Priority Notes Documents, the provisions of this Agreement shall govern (other than with respect to Section 2.01 of each of the First Priority Security Agreement and the Second Priority Security Agreement).

SECTION 10.02. ***Continuing Nature of this Agreement; Severability***. Subject to Section 7.04, this Agreement shall continue to be effective until the date on which the First Priority Obligations have been Discharged. This is a continuing agreement of Lien subordination, and subject to the terms of this Agreement, the First Priority Secured Parties may continue, at any time and without notice to the Second Priority Collateral Trustee or any other Second Priority Secured Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Issuers or any other Subsidiary constituting First Priority Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Each Collateral Trustee, for itself and on behalf of the other Secured Parties under its Debt Documents, hereby waives any and all rights that such Secured Parties may now or hereafter have under applicable law to revoke this Agreement or any provisions of this Agreement. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions. All references to any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver, liquidator, sequestrator, trustee, custodian, administrator or other officer in any applicable jurisdiction having similar powers over any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

SECTION 10.03. ***Amendments; Waivers***. (a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise

of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances. Notwithstanding the foregoing, the Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except with respect to Sections 5.03, 6.01, 6.02, or this Section 10.03, in each case, to the extent such Grantors rights are directly and adversely affected, or another amendment, modification or waiver of any provision of this Agreement that materially and adversely affects any Grantor.

(b) This Agreement may be amended in writing signed by the First Priority Collateral Trustee and the Second Priority Collateral Trustee (in each case, acting in accordance with the applicable Debt Documents). Any such amendment, supplement or waiver shall be in writing and shall be binding upon the First Priority Secured Parties and the Second Priority Secured Parties and their respective successors and assigns.

SECTION 10.04. ***Information Concerning Financial Condition of the Issuers and the other Guarantors***. The First Priority Secured Parties (other than the First Priority Collateral Trustee and the Trustee under the First Priority Indenture) and the Second Priority Secured Parties (other than the Second Priority Collateral Trustee and the Trustee under the Second Priority Indenture) shall each be responsible for keeping themselves informed of (a) the financial condition of the Issuers and the Guarantors and all endorsers or guarantors of the First Priority Obligations or the Second Priority Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. The First Priority Collateral Trustee, the other First Priority Secured Parties, the Second Priority Collateral Trustee and the other Second Priority Secured Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the First Priority Collateral Trustee, any other First Priority Secured Party, the Second Priority Collateral Trustee or any other Second Priority Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the First Priority Collateral Trustee, the other First Priority Secured Parties, the Second Priority Collateral Trustee and the other Second Priority Secured Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 10.05. ***Subrogation***. The Second Priority Collateral Trustee, on behalf of itself and each other Second Priority Secured Party, hereby waives any rights of subrogation it may now have or may acquire as a result of any payment hereunder until the Discharge of the First Priority

Obligations. Neither the Second Priority Collateral Trustee nor any other Second Priority Secured Party shall exercise any remedy with respect to such Debt if the Secured Parties (with their designees) have acquired all or any of the Collateral by credit bid or strict foreclosure.

SECTION 10.06. ***Application of Payments***. Except as otherwise provided herein, all payments received by the First Priority Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the First Priority Obligations as the First Priority Secured Parties, in their sole discretion, deem appropriate, consistent with the terms of the First Priority Notes Documents.

SECTION 10.07. ***Additional Grantors***. If any Subsidiary shall become a Grantor after the date hereof, such Subsidiary shall execute and deliver a supplement to the Consent of Issuers and Guarantors attached as Annex I hereto. Upon such execution and delivery, such Subsidiary will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor.

SECTION 10.08. ***Refinancing***. If any First Priority Obligations are subject to a Refinancing then (x) no Discharge of the First Priority Obligations shall occur or be deemed to occur as a result of such Refinancing for any purpose of this Agreement and (y) such Refinancing shall be treated as First Priority Obligations for all purposes of this Agreement.

SECTION 10.09. ***Consent to Jurisdiction; Waivers***. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, county of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement to which it is a party, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the fullest extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court sitting in New York City, county of New York. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.10. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law (but in no event by facsimile or e-mail).

(d) Each party hereto waives, to the fullest extent permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 10.09 any special, exemplary, punitive or consequential damages.

SECTION 10.10. ***Notices***. All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to the First Priority Collateral Trustee, to it at Ankura Trust Company, LLC, as Trustee and Collateral Trustee, 140 Sherman Street, Fourth Floor, Fairfield CT 06824, Attention: Lisa Price, Email: lisa.price@ankura.com, with a copy (not constituting notice) to Winston & Strawn, LLP, 200 Park Avenue, New York, NY 10166, Attention: Bart Pisella, Email: bpisella@winston.com; and

(ii) if to the Second Priority Collateral Trustee, to it at Ankura Trust Company, LLC, as Trustee and Collateral Trustee, 140 Sherman Street, Fourth Floor, Fairfield CT 06824, Attention: Lisa Price, Email: lisa.price@ankura.com, with a copy (not constituting notice) to Winston & Strawn, LLP, 200 Park Avenue, New York, NY 10166, Attention: Bart Pisella, Email: bpisella@winston.com.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed), except that any notice or other communication to either Collateral Trustee shall be deemed to have been given when received. For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. As agreed to in writing among each Collateral Trustee from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 10.11. ***Further Assurances***. Each Collateral Trustee, on behalf of itself and each other Secured Party under its Debt Documents, agrees that it will execute, or will cause to be executed, any and all further documents, agreements and instruments, and take all such further actions, as may be reasonably required under any applicable law, or which the other parties hereto may reasonably request to effectuate the terms of, and the relative Lien priorities contemplated by, this Agreement.

SECTION 10.12. ***GOVERNING LAW; WAIVER OF JURY TRIAL***. (A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(B) EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN 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. EACH PARTY HERETO (1) CERTIFIES THAT NO REPRESENTATIVE, AGENT, TRUSTEE OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (2) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER DEBT DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.12.

SECTION 10.13. ***Binding on Successors and Assigns***. This Agreement shall be binding upon the First Priority Collateral Trustee, the Second Priority Collateral Trustee, the other First Priority Secured Parties, the other Second Priority Secured Parties, and their respective successors and assigns.

SECTION 10.14. ***Section Titles***. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 10.15. ***Counterparts***. This Agreement may be executed in one or more counterparts, including by means of electronic transmission, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by electronic transmission (e.g., "pdf") shall be as effective as delivery of a manually signed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10.16. ***Authorization***. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The First Priority Collateral Trustee represents and warrants that this Agreement is binding upon the First Priority Secured Parties. The Second Priority Collateral Trustee represents and warrants that this Agreement is binding upon the Second Priority Secured Parties.

SECTION 10.17. ***No Third-Party Beneficiaries; Successors and Assigns***. The Lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such Lien priorities shall inure solely to the benefit of the First Priority Collateral Trustee, the other First Priority Secured Parties, the Second Priority Collateral Trustee and the other Second Priority Secured Parties, and their respective permitted successors and assigns, and no other Person (including the Grantors, or any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights. Other than as set forth in Section 10.03, no Grantor or any other creditor thereof shall have any rights hereunder.

SECTION 10.18. ***Effectiveness***. This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement shall be effective both before and after the commencement of any Insolvency or Liquidation Proceeding. All references to the Grantors shall include each Grantor as debtor and debtor-in-possession and any receiver or trustee for such Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

SECTION 10.19. ***Collateral Trustees***. It is understood and agreed that (i) the First Priority Collateral Trustee is entering into this Agreement solely in its capacity as Collateral Trustee under the First Priority Indenture at the direction of the Holders thereunder, shall not be responsible for the terms or sufficiency of this Agreement and it shall enjoy all of the rights, immunities, privileges, protections and indemnities granted to it under such First Priority Indenture applicable to it as Trustee and/or Collateral Trustee thereunder and (ii) the Second Priority Collateral Trustee is entering into this Agreement solely in its capacity as Collateral Trustee under the Second Priority Indenture at the direction of the Holders thereunder, shall not be responsible for the terms or sufficiency of this Agreement and it shall enjoy all of the rights, immunities, privileges, protections and indemnities granted to it under such Second Priority Indenture applicable to it as Trustee and/or Collateral Trustee thereunder. Notwithstanding any other provision of this Agreement, nothing herein shall be construed to impose any fiduciary duty, regardless of whether a Default or Event of Default has occurred and is continuing, on the First Priority Collateral Trustee or the Second Priority Collateral Trustee. Whenever reference is made in this Agreement to any action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the First Priority Collateral Trustee or the Second Priority Collateral Trustee or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by the First Priority Collateral Trustee or the Second Priority Collateral Trustee, it is understood that in all cases the First Priority Collateral Trustee or the Second Priority Collateral Trustee shall be acting, giving, withholding, suffering, omitting, taking or otherwise undertaking and exercising the same (or shall not be undertaking and exercising the same) in accordance with the Indentures.

SECTION 10.20. ***Relative Rights***. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Priority Secured Parties on the one hand and the Second Priority Secured Parties on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the First Priority Obligations and the Second Priority Obligations as and when the same shall become due and payable in accordance with their terms. If any First Priority Secured Party or Second Priority Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Grantor shall be entitled to use such violation as a defense to any action by any First Priority Secured Party or Second Priority Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Priority Secured Party or Second Priority Secured Party.

SECTION 10.21. ***Survival of Agreement***. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

[Remainder of this page intentionally left blank]

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

ANKURA TRUST COMPANY, LLC, as First Priority Collateral Trustee,

By: _____
Name: Lisa J. Price
Title: Managing director

ANKURA TRUST COMPANY, LLC, as Second Priority Collateral Trustee,

By: _____
Name: Lisa J. Price
Title: Managing Director

ANNEX I

CONSENT OF ISSUERS AND GRANTORS

Dated: July 30, 2020

Reference is made to that certain First Lien/Second Lien Intercreditor Agreement dated as of the date hereof by and among ANKURA TRUST COMPANY, LLC, as the First Priority Collateral Trustee, and ANKURA TRUST COMPANY, LLC, as the Second Priority Collateral Trustee (such agreement as in effect on the date hereof, the "***Intercreditor Agreement***"). Capitalized terms used but not defined in this Consent of Issuers and Grantors (this "***Consent***") shall have the meanings assigned to such terms in the Intercreditor Agreement.

Each of the undersigned Grantors has read the foregoing Intercreditor Agreement and consents thereto. Each of the undersigned Grantors agrees not to take any action that would be contrary to its obligations under the Intercreditor Agreement, agrees to abide by the requirements expressly applicable to it under the foregoing Intercreditor Agreement and agrees that, except as otherwise provided in the applicable Debt Documents, no First Priority Secured Party or Second Priority Secured Party shall have any liability to any Grantor for acting in accordance with the provisions of the Intercreditor Agreement, the First Priority Notes Documents or the Second Priority Notes Documents. Each Grantor understands that the Intercreditor Agreement is for the sole benefit of the First Priority Secured Parties and the Second Priority Secured Parties and their respective successors and assigns, and other than as expressly otherwise set forth in the Intercreditor Agreement such Grantor is not an intended beneficiary or third-party beneficiary thereof.

Without limitation to the foregoing, each Grantor agrees to take such further action and to execute and deliver such additional documents and instruments (in recordable form, if requested) as the First Priority Collateral Trustee or the Second Priority Collateral Trustee (at the written direction of the Second Priority Required Holders) may reasonably request to effectuate the terms of and the Lien priorities contemplated by the Intercreditor Agreement.

This Consent shall be governed and construed in accordance with the laws of the State of New York. Notices delivered to any Grantor pursuant to this Consent shall be delivered in accordance with the notice provisions set forth in the Indentures.

[Remainder of this page intentionally left blank]

ACKNOWLEDGED BY: ANAGRAM INTERNATIONAL HOLDINGS, INC.
ANAGRAM INTERNATIONAL, INC.
as Grantors

By: DocuSigned by: Todd Vogensen A4C5A2AEC0E5498...
Name: Todd Vogensen
Title: Vice President & Treasurer

ANAGRAM HOLDINGS, LLC
as Grantor

By: DocuSigned by: Todd Vogensen A4C5A2AEC0E5498...
Name: Todd Vogensen
Title: Authorized Officer

ANNEX II

Provision for Second Priority Indenture[1]

Each [Holder] and each other [Secured Party] hereunder (a) acknowledges that it has received a copy of the [First Lien/Second Lien Intercreditor Agreement], (b) agrees that it will be bound by and will take no actions contrary to the provisions of the [First Lien/Second Lien Intercreditor Agreement] and (c) consents to the subordination of the Liens securing the [Second Priority Obligations] on the terms set forth in the [First Lien/Second Lien Intercreditor Agreement]. The foregoing provisions are intended as an inducement to the holders under the [First Priority Notes Documents] (as defined in the First Lien/Second Lien Intercreditor Agreement) and the [Second Priority Notes Documents] (as defined in the First Lien/Second Lien Intercreditor Agreement) to extend credit to the [Issuers] and such holders are intended third party beneficiaries of such provisions. In the event of any conflict or inconsistency between the provisions of the [First Lien/Second Lien Intercreditor Agreement] and this [Indenture], the provisions of the [First Lien/Second Lien Intercreditor Agreement] shall control.

Provision for Second Priority Security Agreement and other principal Second Priority Security Documents

Notwithstanding anything herein to the contrary, (i) the priority of Liens and the security interests granted in favor of the [Collateral Trustee] pursuant to this [Agreement] are expressly subject and subordinate to the Liens and the security interests granted in favor of the First Priority Secured Parties (as defined in the [First Lien/Second Lien Intercreditor Agreement]), including Liens and security interests granted in favor of the First Priority Collateral Trustee (as defined in the [First Lien/Second Lien Intercreditor Agreement]), and (ii) the exercise of any right or remedy by the [Collateral Trustee] hereunder are subject in all respects to the limitations and provisions of the [First Lien/Second Lien Intercreditor Agreement]. In the event of any conflict between the terms of the [First Lien/Second Lien Intercreditor Agreement] and this [Agreement] with respect to the priority of, and the exercise of any right or remedy with respect to, the Liens in favor of the [Collateral Trustee], the terms of the [First Lien/Second Lien Intercreditor Agreement] shall govern and control.

[1] Appropriate defined terms to be used.

EXHIBIT D

INTERCREDITOR AGREEMENT

dated as of May 7, 2021

among

ANAGRAM HOLDINGS, LLC,
ANAGRAM INTERNATIONAL, INC.,
and
the other GRANTORS from time to time party hereto,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as ABL Facility Administrative Agent,

ANKURA TRUST COMPANY, LLC,
as First Lien Notes Security Trustee,

and

ANKURA TRUST COMPANY, LLC
as Second Lien Notes Security Trustee

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This INTERCREDITOR AGREEMENT is dated as of May 7, 2021 and is by and among Anagram Holdings, LLC, a Delaware limited liability company ("Anagram LLC"), Anagram International, Inc., a Minnesota corporation (the "Company", and together with Anagram LLC, each, a "Borrower" and collectively, the "Borrowers), the other Grantors (as defined below) from time to time party hereto, Wells Fargo Bank, National Association ("WF"), as ABL Facility Administrative Agent (as defined below), Ankura Trust Company, LLC ("Ankura"), as First Lien Notes Security Trustee (as defined below), Ankura Trust Company, LLC, as Second Lien Notes Security Trustee (as defined below), and each Security Agent (as defined below) that from time to time becomes a party hereto pursuant to Section 2.4(f) or Section 3.4(f), as applicable. Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in Section 1 below.

RECITALS:

WHEREAS, each Borrower has entered into a certain ABL Credit Agreement, dated as of May 7, 2021 (as amended, supplemented, restated, amended and restated, modified and/or Refinanced from time to time, the "ABL Facility Credit Agreement"), among each Borrower, the lenders from time to time party thereto (together with their respective successors and permitted assigns in such capacity, the "ABL Facility Lenders"), WF, as administrative agent (in such capacity and together with its successors and permitted assigns in such capacity, the "ABL Facility Administrative Agent"), and the other parties referred to therein;

WHEREAS, pursuant to the various ABL Facility Documents, (i) the Grantors (other than the Borrowers) have provided guarantees for the ABL Facility Obligations and (ii) the Grantors have provided security for the ABL Facility Obligations;

WHEREAS, Anagram LLC, as issuer, the Company, as co-issuer (together with Anagram LLC, each in such capacity, the "Issuers"), and each other Grantor have entered into an Indenture with respect to 15.00% PIK/Cash Senior Secured First Lien Notes due 2025, dated as of July 30, 2020 (as amended, supplemented, restated, amended and restated, modified and/or Refinanced from time to time, the "First Lien Notes Indenture"), among the Issuers, each other Grantor, Ankura, solely as trustee (in such capacity and together with its successors and permitted assigns in such capacity, the "First Lien Notes Trustee"), Ankura, solely as collateral trustee (in such capacity and together with its successors and permitted assigns in such capacity, the " First Lien Notes Security Trustee"), and the other parties referred to therein;

WHEREAS, pursuant to the various First Lien Notes Documents, (i) the Grantors (other than the Issuers) have provided guarantees for the First Lien Notes Obligations and (ii) the Grantors have provided security for the First Lien Notes Obligations;

WHEREAS, the Issuers and each other Grantor have entered into an Indenture with respect to 10.00% PIK/Cash Senior Secured Second Lien Notes due 2026, dated as of July 30, 2020 (as amended, supplemented, restated, amended and restated, modified and/or Refinanced from time to time, the "Second Lien Notes Indenture" and, together with the First Lien Notes Indenture, the "Indentures", and collectively with the ABL Facility Credit Agreement, the "Financing Agreements"), among the Issuers, each other Grantor, Ankura, solely as trustee (in such capacity and together with its successors and permitted assigns in such capacity, the "Second Lien Notes Trustee" and, together with the ABL Facility Administrative Agent and the First Lien Notes Trustee, the "Administrative Agents"), Ankura, solely as collateral trustee (in such capacity and together with its successors and permitted assigns in such capacity, the "Second Lien Notes Security Trustee" and, together with the ABL Facility Administrative Agent and the First Lien Notes Security Trustee, the "Security Agents" and, together with the Administrative Agents, the "Agents"), and the other parties referred to therein;

WHEREAS, pursuant to the various Second Lien Notes Documents, (i) the Grantors (other than the Issuers) have provided guarantees for the Second Lien Notes Obligations and (ii) the Grantors have provided security for the Second Lien Notes Obligations;

WHEREAS, each Borrower and the other Grantors intend to secure the ABL Facility Obligations under the ABL Facility Credit Agreement and any other ABL Facility Documents (including any Permitted Refinancing thereof) with a First Priority Lien on the ABL Facility Priority Lien Collateral and a Second Priority Lien on the Notes Priority Lien Collateral; and

WHEREAS, each Borrower and the other Grantors intend to secure the Notes Obligations under the Indentures and any other Notes Documents (including any Permitted Refinancing thereof) with a First Priority Lien on the Notes Priority Lien Collateral and a Second Priority Lien on the ABL Facility Priority Lien Collateral.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions.

1.1. Defined Terms. The following terms when used in this Agreement, including its preamble and recitals, shall have the following meanings:

"ABL Debt Cap" shall mean, at any time, an amount equal to:

(a) (x) unless any Grantor shall be subject to an Insolvency or Liquidation Proceeding, $17,250,000.00 or (y) in the event of an Insolvency or Liquidation Proceeding, the lesser of (i) $17,250,000.00 and (ii) the sum of (1) the lesser of (I) the principal amount of the commitment and (II) the borrowing base, in each case of this clause (1), then in effect immediately prior to the commencement of such Insolvency or Liquidation Proceeding under the ABL Facility Credit Agreement, *plus* (2) $2,500,000, *plus*

(b) the aggregate amount of any unpaid accrued interest, accrued paid in kind interest, and premiums on any Indebtedness, in each case of this clause (b), to the extent added to the principal amount of Indebtedness outstanding under the ABL Facility Documents or paid or refinanced with the proceeds of any Permitted Refinancing incurred to refinance all or any portion of the ABL Facility Obligations or a roll-up of such ABL Facility Obligations in connection with an ABL Facility DIP Financing, *plus*

(c) the aggregate amount of breakage costs, fees, expenses and indemnities incurred in connection with any of the ABL Facility Documents (in accordance with the terms of the ABL Facility Credit Agreement) to the extent added to the principal amount of Indebtedness under the ABL Facility Documents or paid or refinanced with the proceeds of any Permitted Refinancing of all or any portion of the ABL Facility Obligation or a roll-up of such ABL Facility Obligations in connection with an ABL Facility DIP Financing (in each case of the amounts referred to in clauses (b) and (c), whether or not allowed or allowable as a claim in any such proceeding under such Insolvency or Liquidation Proceeding), *plus*

(d) obligations, liabilities, reimbursement obligations, fees, or expenses owing by each Borrower and its Subsidiaries to any ABL Facility Bank Product Creditor pursuant to or evidenced by an ABL Facility Bank Product Agreement 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 with respect to one or more of the following financial products or accommodations extended to any Borrower or any of its Subsidiaries by an ABL Facility Bank Product Creditor: (i) credit cards (including commercial

cards (including so-called "purchase cards", "procurement cards" or "p-cards")), (ii) payment card processing services, (iii) debit cards, (iv) stored value cards, and (v) Cash Management Services (as defined in the ABL Facility Credit Agreement), *plus*

(e) obligations, liabilities, reimbursement obligations, fees, or expenses owing by each Borrower and its Subsidiaries to any ABL Facility Hedging Creditor pursuant to or evidenced by an ABL Facility Secured Hedging Agreement 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 with respect to one or more of the following financial products or accommodations extended to any Borrower or any of its Subsidiaries by an ABL Facility Hedging Creditor in an aggregate amount not to exceed $4,000,000.00: (i) foreign exchange facilities and (ii) transactions under Hedge Agreements (as defined in the ABL Facility Credit Agreement), in each case under clauses (i) and (ii), excluding such facilities and transactions entered into for speculative purposes.

"ABL Debt Margin Cap" shall have the meaning set forth in Section 2.4(c)(i).

"ABL Facility Administrative Agent" shall have the meaning set forth in the recitals hereto and includes any New ABL Facility Administrative Agent to the extent set forth in Section 3.4(f).

"ABL Facility Bank Product Agreements" shall mean each agreement or other document governing or evidencing ABL Facility Bank Product Obligations.

"ABL Facility Bank Product Creditor" shall mean "Bank Product Provider" as that term is defined in the ABL Facility Credit Agreement (as in effect on the Effective Date); ***provided*** that any amendment or modification to such defined term after the Effective Date shall be given effect to the extent the sole effect thereof is to add as "Bank Product Providers" (i) any lender party to the ABL Facility Credit Agreement or an affiliate of any such lender, and/or (ii) any Person that was a lender or an affiliate of a lender at the time the applicable agreement was entered into pursuant to which it provides any financial products or accommodations of the type referred to in the definition of "Bank Products" in the ABL Facility Credit Agreement (as in effect on the Effective Date).

"ABL Facility Bank Product Obligations" shall mean the "Bank Product Obligations" as that term is defined in the ABL Facility Credit Agreement (as in effect on the Effective Date).

"ABL Facility Collateral Priority Lien" shall have the meaning set forth in Section 3.4(a).

"ABL Facility Credit Agreement" shall have the meaning set forth in the recitals hereto.

"ABL Facility DIP Financing" shall have the meaning set forth in Section 3.5(a).

"ABL Facility Documents" shall mean (x) the ABL Facility Credit Agreement and the other Loan Documents (as defined in the ABL Facility Credit Agreement) and (y) each of the other agreements, documents and instruments providing for or evidencing any ABL Facility Obligations (including any Permitted Refinancing of any ABL Facility Obligations), together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing (but excluding, for the avoidance of doubt, any documents entered into in connection with an ABL Facility DIP Financing or a Notes DIP Financing).

"ABL Facility Hedging Creditor" shall mean "Hedge Provider" as that term is defined in the ABL Facility Credit Agreement (as in effect on the Effective Date); ***provided*** that any amendment or modification to such defined term after the Effective Date shall be given effect to the extent the sole effect thereof is to add as "ABL Facility Hedging Creditors" (i) any lender party to the ABL Facility Credit

Agreement or an affiliate of any such lender, and/or (ii) any Person that was a lender or an affiliate of a lender at the time the applicable Hedge Agreement (as defined in the ABL Facility Credit Agreement (as in effect on the Effective Date)) was entered into.

"ABL Facility Lenders" shall have the meaning set forth in the recitals hereto.

"ABL Facility Lien" shall mean any Lien created by any ABL Facility Document.

"ABL Facility Obligations" shall mean all obligations (including guaranty obligations) of every nature of each Grantor from time to time owed to the ABL Facility Secured Parties or any of them, under any ABL Facility Document (including any ABL Facility Document in respect of a Permitted Refinancing of any ABL Facility Obligations), including, without limitation, all "Secured Obligations" as defined in the ABL Facility Pledge and Security Agreement (or any similar term in any ABL Facility Document in respect of a Permitted Refinancing of any ABL Facility Documents) and whether for principal, premium, interest (including interest which, but for the filing of a petition in bankruptcy with respect to any of the Borrowers or any of their Subsidiaries, would have accrued on any ABL Facility Obligation (including any Permitted Refinancing of any ABL Facility Obligations), at the rate provided in the respective documentation, whether or not a claim is allowed against such Person for such interest in the related bankruptcy proceeding), reimbursement of amounts drawn under (and obligations to cash collateralize) letters of credit, fees, expenses, indemnification or otherwise, and including any obligations in respect of Additional Debt which are designated as "ABL Facility Obligations".

"ABL Facility Permitted Liens" shall mean the "Permitted Liens" under, and as defined in, the ABL Facility Credit Agreement (as in effect on the Effective Date).

"ABL Facility Pledge and Security Agreement" shall mean that certain Guaranty and Security Agreement, dated as of the Effective Date, among each Borrower, each other Grantor and the ABL Facility Administrative Agent, as amended, supplemented, restated, amended and restated and/or modified from time to time.

"ABL Facility Priority Lien Collateral" shall mean all interests of each Grantor in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Grantor to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Grantor to receive return of any premiums for or Proceeds of any insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation Proceeds with respect to the following, (3) all claims of each Grantor for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Grantor to terminate, amend, supplement, modify or waive performance under any of the following, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) (x) all Accounts and (y) tax refunds and tax refund claims (in each case, solely related to overpayment of sales taxes with respect to Inventory), but for purposes of this clause (i) excluding rights to payment for any property which specifically constitutes Notes Priority Lien Collateral which has been or is to be sold, leased, licensed, assigned or otherwise disposed of;

(ii) all Chattel Paper, other than Chattel Paper which constitutes identifiable Proceeds of Notes Priority Lien Collateral;

(iii) all Deposit Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained with any bank or other financial institution and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the foregoing (in each case, other than the Notes Proceeds Account, all monies, securities,

Instruments and other investments held in the Notes Proceeds Account constituting identifiable Proceeds of any Notes Priority Lien Collateral or credited to the Notes Proceeds Account which constitute Notes Priority Lien Collateral and all identifiable Proceeds of any Notes Priority Lien Collateral);

(iv) all Inventory;

(v) to the extent evidencing or governing any of the items referred to in the preceding clauses (i) through (iv), all General Intangibles, letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights, Instruments and Documents; *provided* that, to the extent any of the foregoing also relates to Notes Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (iv) as being included in the ABL Facility Priority Lien Collateral shall be included in the ABL Facility Priority Lien Collateral;

(vi) to the extent relating to any of the items referred to in the preceding clauses (i) through (v), all Insurance; *provided* that, to the extent any of the foregoing also relates to Notes Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (v) as being included in the ABL Facility Priority Lien Collateral shall be included in the ABL Facility Priority Lien Collateral;

(vii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vi), all Supporting Obligations; *provided* that, to the extent any of the foregoing also relates to Notes Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (vi) as being included in the ABL Facility Priority Lien Collateral shall be included in the ABL Facility Priority Lien Collateral;

(viii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vii), all Commercial Tort Claims; *provided* that, to the extent any of the foregoing also relates to Notes Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (vii) as being included in the ABL Facility Priority Lien Collateral shall be included in the ABL Facility Priority Lien Collateral;

(ix) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing; and

(x) all Cash Proceeds (other than all identifiable Cash Proceeds of any Notes Priority Lien Collateral) and, solely to the extent not constituting Notes Priority Lien Collateral, non-cash Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (including without limitation, all insurance Proceeds) and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing;

provided, *however*, that (a) if Collateral of any type is received in exchange for ABL Facility Priority Lien Collateral in accordance with the terms of the ABL Facility Documents, such Collateral will be treated as ABL Facility Priority Lien Collateral and (b) if Collateral of any type is received in exchange for Notes Priority Lien Collateral in accordance with the terms of the Notes Documents, such Collateral will be treated as Notes Priority Lien Collateral.

"ABL Facility Priority Lien Collateral Enforcement Actions" shall have the meaning set forth in Section 4.3(a).

"ABL Facility Priority Lien Collateral Processing and Sale Period" shall have the meaning set forth in Section 4.3(a).

"ABL Facility Secured Hedging Agreement" shall mean any Hedge Agreement with respect to Hedge Obligations (excluding Excluded Swap Obligations) (as each such term is (and the component definitions as used therein are) defined in the ABL Facility Credit Agreement (as in effect on the Effective Date)).

"ABL Facility Secured Parties" shall mean (a) the lenders (including, in any event, each letter of credit issuer and each swingline lender) and agents under the ABL Facility Credit Agreement and shall include all former lenders and agents under the ABL Facility Credit Agreement to the extent that any ABL Facility Obligations owing to such Persons were incurred while such Persons were lenders or agents under the ABL Facility Credit Agreement and such ABL Facility Obligations have not been paid or satisfied in full in cash, (b) the ABL Facility Bank Product Creditors and the ABL Facility Hedging Creditors, and (c) all new ABL Facility Secured Parties to the extent set forth in Section 3.4(f).

"ABL Facility Security Documents" shall mean the ABL Facility Pledge and Security Agreement, the Control Agreements (as defined in the ABL Facility Credit Agreement), the Copyright Security Agreement (as defined in the ABL Facility Credit Agreement), the Patent Security Agreement (as defined in the ABL Facility Credit Agreement), the Trademark Security Agreement (as defined in the ABL Facility Credit Agreement), the Mortgages (as defined in the ABL Facility Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any ABL Facility Obligations (including any Permitted Refinancing of any ABL Facility Obligations) or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"ABL Facility Standstill Period" shall have the meaning set forth in Section 2.2(a).

"Account" shall have the meaning set forth in Article 9 of the UCC.

"Administrative Agents" shall have the meaning set forth in the recitals hereto.

"Additional Debt" shall have the meaning set forth in Section 6.3(b).

"Agents" shall have the meaning set forth in the recitals hereto.

"Agreement" shall mean this Intercreditor Agreement as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

"Anagram LLC" shall have the meaning set forth in the introductory paragraph hereof.

"Ankura" shall have the meaning set forth in the introductory paragraph hereof.

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

"Borrowers" shall have the meaning set forth in the introductory paragraph hereof.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be in New York, New York, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether

real, person or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing, but excluding for the avoidance of doubt any Indebtedness convertible into or exchangeable for any of the foregoing.

"Cash Proceeds" shall mean all Proceeds of any Collateral received by any Grantor or Secured Party consisting of cash and checks.

"Chattel Paper" shall have the meaning set forth in Article 9 of the UCC. Without limiting the foregoing, the term "Chattel Paper" shall in any event include all Tangible Chattel Paper and all Electronic Chattel Paper.

"Collateral" shall mean all property (whether real, personal, movable or immovable) now or hereafter acquired and wherever located (and Proceeds thereof) with respect to which any Lien has been granted (or purported to be granted) by any Grantor pursuant to any Security Document. For the avoidance of doubt, if a Lien has been granted (or purported to be granted) with respect to any property to secure any series of Notes Obligations, then such property shall constitute Collateral hereunder regardless of whether a Lien has been granted with respect to such property to secure any other series of Notes Obligations, and without limiting the generality of the foregoing, all property (whether real, personal, movable or immovable) now owned or hereafter acquired by any Grantor and subject to any Security Document shall constitute Collateral, notwithstanding that such Collateral does not secure each series of Notes Obligations.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a Lien in such real or personal property.

"Commercial Tort Claim" shall have the meaning set forth in Article 9 of the UCC.

"Company" shall have the meaning set forth in the introductory paragraph hereof.

"Comparable ABL Facility Security Document" shall mean, in relation to any Collateral subject to any Lien created under any Notes Security Document, that ABL Facility Document which creates (or purports to create) a Lien on the same Collateral, granted by the same Grantor, as the same may be amended, restated, amended and restated, modified, renewed, extended, refunded, replaced, Refinanced or otherwise supplemented, from time to time in accordance with the terms thereof.

"Comparable Notes Security Document" shall mean, in relation to any Collateral subject to any Lien created under any ABL Facility Security Document, the Notes Documents which create (or purport to create) a Lien on the same Collateral, granted by the same Grantor, as the same may be amended, restated, amended and restated, modified, renewed, extended, refunded, replaced, Refinanced or otherwise supplemented from time to time in accordance with the terms thereof.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, any Hedge Agreements or contracts for Cash Management Services (each such term as defined in the ABL Facility Credit Agreement)), licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Controlling Security Agent" shall mean the First Priority Collateral Trustee (as defined in the First Lien/Second Lien Intercreditor Agreement); *provided* that, if, at any time, the Discharge of the First Priority Obligations (as defined in the First Lien/Second Lien Intercreditor Agreement) has occurred, then the Controlling Security Agent shall be that Second Priority Collateral Trustee (as defined in the First Lien/Second Lien Intercreditor Agreement).

"Copyrights" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright whether published or unpublished, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

"Credit Bid Rights" shall mean, (a) in respect of any order relating to a sale of assets constituting ABL Facility Priority Lien Collateral in any Insolvency or Liquidation Proceeding, that (i) such order grants any Notes Security Agent and the Notes Secured Parties (individually and in any combination, subject to the terms of the Notes Documents) the right to bid at the sale of such assets and the right to offset its claims secured by Notes Liens upon such assets against the purchase price of such assets if (A) the bid of the applicable Notes Security Agent(s) or such Notes Secured Parties is the highest bid or otherwise determined by a court to be the best offer at a sale, (B) the applicable Notes Security Agent(s) or such Notes Secured Parties provide evidence of financing adequate to close the sale and (C) the bid of the applicable Notes Security Agent(s) or Notes Secured Parties includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale, if such amount were applied to such payment on such date, to effect a Discharge of ABL Facility Obligations and to satisfy all Liens entitled to priority over the ABL Facility Liens that attach to the Proceeds of the sale, and such order requires such amount to be so applied and (ii) such order allows the claims of the applicable Notes Security Agent(s) and the Notes Secured Parties in such Insolvency or Liquidation Proceeding to the extent required for the grant of such rights, and (b) in respect of any order relating to a sale of assets constituting Notes Priority Lien Collateral in any Insolvency or Liquidation Proceeding, that (i) such order grants the ABL Facility Administrative Agent and the ABL Facility Secured Parties (individually and in any combination, subject to the terms of the ABL Facility Documents) the right to bid at the sale of such assets and the right to offset its claims secured by ABL Facility Liens upon such assets against the purchase price of such assets if (A) the bid of the ABL Facility Administrative Agent or such ABL Facility Secured Parties is the highest bid or otherwise determined by a court to be the best offer at a sale, (B) the ABL Facility Administrative Agent or such ABL Facility Secured Parties provide evidence of financing adequate to close the sale and (C) the bid of the ABL Facility Administrative Agent or such ABL Facility Secured Parties includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale, if such amount were applied to such payment on such date, to effect a Discharge of Notes Obligations and to satisfy all Liens entitled to priority over the Notes Liens that attach to the Proceeds of the sale, and such order requires such amount to be so applied and (ii) such order allows the claims of the ABL Facility Administrative Agent and the ABL Facility Secured Parties in

such Insolvency or Liquidation Proceeding to the extent required for the grant of such rights.

"Debtor Relief Laws" shall mean the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Defaulting ABL Facility Secured Party" shall have the meaning set forth in Section 3.4(g)(iii).

"Deposit Account" shall have the meaning set forth in Article 9 of the UCC.

"Derivative Transaction" shall mean (a) any interest-rate transaction, including any interest-rate swap, basis swap, forward rate agreement, interest rate option (including a cap collar and floor), and any other instrument linked to interest rates that gives rise to similar credit risks (including when-issued securities and forward deposits accepted), (b) any exchange-rate transaction, including any cross-currency interest-rate swap, any forward foreign-exchange contract, any currency option, and any other instrument linked to exchange rates that gives rise to similar credit risks, (c) any equity derivative transaction, including any equity-linked swap, any equity-linked option, any forward equity-linked contract, and any other instrument linked to equities that gives rise to similar credit risk and (d) any commodity (including precious metal) derivative transaction, including any commodity-linked swap, any commodity-linked option, any forward commodity-linked contract, and any other instrument linked to commodities that gives rise to similar credit risks; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of any of the Borrowers or their subsidiaries shall be a Derivative Transaction.

"Discharge of ABL Facility Obligations" shall mean, except to the extent otherwise provided in Section 3.4(f), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute ABL Facility Obligations;

(ii) payment in full in cash of the principal of and interest and premium (if any) on all ABL Facility Obligations (other than any undrawn letters of credit) and all amounts then due and payable under any ABL Facility Secured Hedging Agreements and ABL Facility Bank Product Obligations;

(iii) discharge or cash collateralization (at 105% of the aggregate undrawn amount) of all outstanding letters of credit constituting ABL Facility Obligations; and

(iv) payment in full in cash of all other ABL Facility Obligations that are outstanding and unpaid at the time the termination, expiration, discharge and/or cash collateralization set forth in clauses (i) through (iii) above (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time).

"Discharge of First Lien Notes Obligations" shall mean, except to the extent otherwise provided in Section 2.4(f), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute First Lien Notes Obligations;

(ii) payment in full in cash of the principal of and interest and premium (if any) on all First Lien Notes Obligations; and

(iii) payment in full in cash of all other First Lien Notes Obligations that are outstanding and unpaid at the time the termination, expiration and/or discharge set forth in clauses (i) and (ii) above (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time).

"Discharge of Notes Obligations" shall mean the occurrence of both (i) the Discharge of First Lien Notes Obligations and (ii) the Discharge of Second Lien Notes Obligations.

"Discharge of Second Lien Notes Obligations" shall mean, except to the extent otherwise provided in Section 2.4(f), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute Second Lien Notes Obligations;

(ii) payment in full in cash of the principal of and interest and premium (if any) on all Second Lien Notes Obligations; and

(iii) payment in full in cash of all other Second Lien Notes Obligations that are outstanding and unpaid at the time the termination, expiration and/or discharge set forth in clauses (i) and (ii) above (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time).

"Documents" shall have the meaning set forth in Article 9 of the UCC.

"Effective Date" shall mean May 7, 2021.

"Electronic Chattel Paper" shall have the meaning set forth in Article 9 of the UCC.

"Eligible Notes Purchaser" shall have the meaning set forth in Section 3.4(g)(i).

"Equipment" shall have the meaning set forth in Article 9 of the UCC.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"Excess ABL Facility Obligations" shall mean (x) that portion of the principal amount of ABL Facility Obligations that exceeds the ABL Debt Cap (together with any accrued and unpaid interest, premium and fees on such excess amount, including interest, premium and fees thereon that accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not allowed or allowable as a claim in any such proceeding under such Insolvency or Liquidation Proceeding) (*provided* that Letter of Credit Usage (as that term is defined in the ABL Facility Credit Agreement (as in effect on the Effective Date)) shall be deemed to be outstanding principal for purposes of this clause (x)) and (y) in the event that the interest rate (as determined in accordance with the definition of "ABL Debt Margin Cap") under the ABL Facility Documents exceeds the ABL Debt Margin Cap at any time, the aggregate unpaid interest and paid in kind interest (if any) that has accrued at an annual rate by which such interest rate exceeds the ABL Debt Margin Cap.

"Financing Agreements" shall have the meaning set forth in the recitals hereto.

"First Lien/Second Lien Intercreditor Agreement" shall mean that certain First

Lien/Second Lien Intercreditor Agreement, dated as of July 30, 2020 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time), between the First Lien Notes Security Trustee and the Second Lien Notes Security Trustee.

"First Lien Notes Documents" shall mean (x) the First Lien Notes Indenture, this Agreement, the First Lien/Second Lien Intercreditor Agreement and the other Debt Documents (as defined in the First Lien Notes Indenture) and (y) each of the other agreements, documents and instruments providing for or evidencing any First Lien Notes Obligation (including any Permitted Refinancing of any First Lien Notes Obligation), together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing (but excluding, for the avoidance of doubt, any documents or agreements entered into in connection with an ABL Facility DIP Financing or a Notes DIP Financing).

"First Lien Notes Indenture" shall have the meaning set forth in the recitals hereto.

"First Lien Notes Obligations" shall mean all obligations (including guaranty obligations) of every nature of each Grantor from time to time owed to the First Lien Notes Secured Parties or any of them, under any First Lien Notes Document (including any First Lien Notes Document in respect of a Permitted Refinancing of any First Lien Notes Obligations), including, without limitation, all "Secured Obligations" as defined in the First Lien Notes Pledge and Security Agreement (or any similar term in any First Lien Notes Document in respect of a Permitted Refinancing of any First Lien Notes Document) and whether for principal amount outstanding, premium, accrued but unpaid interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Person, would have accrued on any First Lien Notes Obligation (including any Permitted Refinancing of any First Lien Notes Obligations) at the rate provided in the respective documentation, whether or not a claim is allowed against any such Grantor or any of their respective Subsidiaries for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise in each case in accordance with the terms and conditions set forth in the applicable First Lien Notes Documents, and including any obligations in respect of Additional Debt which are designated as "First Lien Notes Obligations".

"First Lien Notes Pledge and Security Agreement" shall mean that certain First Lien Pledge and Security Agreement, dated as of July 30, 2020, among the Issuers, each other Grantor and the First Lien Notes Security Trustee, as amended, supplemented, restated, amended and restated and/or modified from time to time.

"First Lien Notes Secured Parties" shall mean (a) the holders and trustees under the First Lien Notes Indenture and shall include all former holders and trustees under the First Lien Notes Indenture to the extent that any First Lien Notes Obligations owing to such Persons were incurred while such Persons were holders or trustees under the First Lien Notes Indenture and such First Lien Notes Obligations have not been paid or satisfied in full in cash and (b) all new First Lien Notes Secured Parties to the extent set forth in Section 2.4(f).

"First Lien Notes Security Documents" shall mean the First Lien Notes Pledge and Security Agreement, the other Security Documents (as defined in the First Lien Notes Indenture) and any other agreement, document or instrument pursuant to which a Lien is granted securing any First Lien Notes Obligations (including any Permitted Refinancing of any First Lien Notes Obligation) or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"First Lien Notes Security Trustee" shall have the meaning set forth in the recitals hereto and includes any New First Lien Notes Security Agent to the extent set forth in Section 2.4(f).

"First Lien Notes Trustee" shall have the meaning set forth in the recitals hereto.

"First Priority" shall mean, (i) with respect to any Lien purported to be created on any ABL Facility Priority Lien Collateral pursuant to any ABL Facility Security Document, that such Lien is prior in right to any other Lien thereon, other than any ABL Facility Permitted Liens (excluding ABL Facility Permitted Liens of the type described in clause (ff) of the definition of "Permitted Liens" in the ABL Facility Credit Agreement as in effect on the Effective Date (or any equivalent or similar baskets or exceptions under the documentation governing or evidencing any Permitted Refinancing thereof)) applicable to such ABL Facility Priority Lien Collateral which have priority over the respective Liens on such ABL Facility Priority Lien Collateral created pursuant to the relevant ABL Facility Security Document and (ii) with respect to any Lien purported to be created on any Notes Priority Lien Collateral pursuant to any Notes Security Document, that such Lien is prior in right to any other Lien thereon, other than any Notes Permitted Liens (excluding Notes Permitted Liens of the type described in clause (33) of the definition of "Permitted Liens" in the Indentures as in effect on the Effective Date (or any equivalent or similar baskets or exceptions under the documentation governing or evidencing any Permitted Refinancing thereof) or as permitted pursuant to the First Lien/Second Lien Intercreditor Agreement) applicable to such Notes Priority Lien Collateral which have priority over the respective Liens on such Notes Priority Lien Collateral created pursuant to the relevant Notes Security Document.

"Fixtures" shall have the meaning set forth in Article 9 of the UCC.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

"General Intangible" shall have the meaning set forth in Article 9 of the UCC.

"Goods" shall have the meaning set forth in Article 9 of the UCC.

"Governmental Authority" shall mean any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state or locality of the United States, the United States, or a foreign government.

"Grantors" shall mean each Borrower and each of the Borrower's Subsidiaries (other than Immaterial Subsidiaries) that have executed and delivered, or may from time to time hereafter execute and deliver, an ABL Facility Security Document, a Notes Security Document and an Intercreditor Agreement Joinder.

"Guarantee" of or by any Person (the "Guarantor") shall mean any obligation, contingent or otherwise, of the Guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation of any other Person (the "Primary Obligor") in any manner, whether directly or indirectly, and including any obligation of the Guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other monetary obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the Primary Obligor so as to enable the Primary Obligor to pay such Indebtedness or other monetary obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or monetary obligation, (e) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in

respect thereof (in whole or in part), or (f) any Lien on any assets of such Guarantor securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or monetary other obligation is assumed by such Guarantor (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Effective Date or entered into in connection with any acquisition or disposition of assets permitted under the Financing Agreements (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

"Hedge Contract" shall mean any agreement with respect to any Derivative Transaction between any Borrower or any Subsidiary and any other Person.

"Immaterial Subsidiary" shall have the meaning provided in the Indentures or the ABL Facility Credit Agreement (as in effect on the date hereof).

"Indebtedness" as applied to any Person, shall mean, without duplication, (a) all indebtedness for borrowed money; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP (as in effect on the date hereof for purposes of this clause (b)); (c) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments to the extent the same would appear as a liability on a balance sheet prepared in accordance with GAAP; (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding (w) any earn out obligation or purchase price adjustment until such obligation becomes a liability on the balance sheet in accordance with GAAP, (x) any such obligations incurred under ERISA, (y) trade accounts payable in the ordinary course of business (including on an inter-company basis) and (z) liabilities associated with customer prepayments and deposits), which purchase price is (i) due more than six months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument; (e) all Indebtedness of others secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person; (f) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (g) the Guarantee by such Person of the Indebtedness of another; (h) all obligations of such Person in respect of any Disqualified Stock (as such term and any component definitions thereof are defined in the Indentures, as in effect on the Effective Date), and (i) all net obligations of such Person in respect of any Derivative Transaction, including, without limitation, any Hedge Contract, whether or not entered into for hedging or speculative purposes.

"Indentures" shall have the meaning set forth in the recitals hereto.

"Insolvency or Liquidation Proceeding" shall mean any of the following: (i) the filing by any Grantor of a voluntary petition in bankruptcy under any provision of any Debtor Relief Laws (including, without limitation, the Bankruptcy Code) or a petition to take advantage of any receivership or insolvency laws, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Grantor, such Grantor's debts or such Grantor's assets or the appointment of a trustee, receiver, liquidator, custodian or similar official for such Grantor or a material part of such Grantor's property; (ii) the admission in writing by such Grantor of its inability to pay its debts generally as they become due; (iii) the appointment of a receiver, liquidator, trustee, custodian or other similar official for such Grantor or all or a material part of such Grantor's assets; (iv) the filing of any petition against such Grantor under any Debtor Relief Laws

(including, without limitation, the Bankruptcy Code) or other receivership or insolvency law, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Grantor, such Grantor's debts or such Grantor's assets or the appointment of a trustee, receiver, liquidator, custodian or similar official for such Grantor or a material part of such Grantor's property; or (v) the general assignment by such Grantor for the benefit of creditors or any other marshalling of the assets and liabilities of such Grantor.

"Instrument" shall have the meaning set forth in Article 9 of the UCC.

"Insurance" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the ABL Facility Administrative Agent or any Notes Security Agent is a loss payee or additional insured thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean any and all Licenses, Patents, Copyrights, Trademarks, Software and Trade Secrets.

"Intercreditor Agreement Joinder" shall mean an agreement substantially in the form of Exhibit A hereto.

"Inventory" shall have the meaning set forth in Article 9 of the UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the UCC.

"Investment Related Property" shall mean (i) any and all Investment Property and (ii) any and all Pledged Collateral (regardless of whether classified as investment property under the UCC).

"Issuer" shall have the meaning set forth in the recitals hereto.

"Letter of Credit Rights" shall have the meaning set forth in Article 9 of the UCC.

"Licenses" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its owned (1) Patents, (2) Copyrights, (3) Trademarks, (4) Trade Secrets or (5) Software, whether such Grantor is a licensor or licensee, distributor or distribute under any such licensing agreements or similar arrangements in the case of any of the clauses (1) to (5) hereof, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any capitalized or finance lease having substantially the same economic effect as any of the foregoing) in each case, in the nature of security; ***provided*** that in no event shall an operating lease in and of itself be deemed a Lien.

"New ABL Facility Administrative Agent" shall have the meaning set forth in Section 3.4(f).

"New First Lien Notes Security Agent" shall have the meaning set forth in Section 2.4(f).

"New Second Lien Notes Security Agent" shall have the meaning set forth in Section 2.4(f).

"Notes Collateral Priority Lien" shall have the meaning set forth in Section 2.4(a).

"Notes DIP Financing" shall have the meaning set forth in Section 2.5(a).

"Notes Documents" shall mean the First Lien Notes Documents and the Second Lien Notes Documents.

"Notes Financing Agreements" shall mean the First Lien Notes Indenture and the Second Lien Notes Indenture.

"Notes Lien" shall mean any Lien created by any Notes Security Documents.

"Notes Obligations" shall mean the First Lien Notes Obligations and the Second Lien Notes Obligations.

"Notes Permitted Liens" shall mean the "Permitted Liens" under, and as defined in, the Indentures as in effect on the date hereof.

"Notes Priority Lien Collateral" shall mean all interests of each Grantor in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Grantor to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Grantor to receive return of any premiums for or Proceeds of any insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation Proceeds with respect to the following, (3) all claims of each Grantor for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Grantor to terminate, amend, supplement, modify or waive performance under any of the following, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) any Notes Proceeds Account, and all cash, money, securities and other investments deposited therein to the extent constituting identifiable proceeds of Notes Priority Lien Collateral;

(ii) all Equipment;

(iii) all Fixtures;

(iv) all General Intangibles, including, without limitation, Contracts, together with all Contract Rights arising thereunder, including tax refunds and tax refund claims (in each case, other than General Intangibles constituting ABL Facility Priority Lien Collateral;

(v) all letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights, Instruments and Documents (except to the extent constituting ABL Facility Priority Lien Collateral);

(vi) without duplication, all Investment Related Property, all Securities, all Security Entitlements and all Securities Accounts (in each case, except to the extent constituting ABL Facility Priority Lien Collateral);

(vii) all Intellectual Property;

(viii) except to the extent constituting ABL Facility Priority Lien Collateral, all

Commercial Tort Claims;

(ix) all real property (including, if any, leasehold interests) on which the Grantors are required to provide a Lien to the Notes Secured Parties pursuant to the Notes Financing Agreements and any title insurance with respect to such real property (other than title insurance actually obtained by the ABL Facility Administrative Agent in respect of such real property) and the Proceeds thereof;

(x) except to the extent constituting ABL Facility Priority Lien Collateral, all other personal property (whether tangible or intangible, including intellectual property rights) of such Grantor;

(xi) to the extent constituting, or relating to, any of the items referred to in the preceding clauses (i) through (x), all Insurance; *provided* that, to the extent any of the foregoing also relates to ABL Facility Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (x) as being included in the Notes Priority Lien Collateral shall be included in the Notes Priority Lien Collateral;

(xii) to the extent relating to any of the items referred to in the preceding clauses (i) through (xi), all Supporting Obligations; *provided* that, to the extent any of the foregoing also relates to ABL Facility Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (xi) as being included in the Notes Priority Lien Collateral shall be included in the Notes Priority Lien Collateral;

(xiii) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing; *provided* that, to the extent any of the foregoing also relates to ABL Facility Priority Lien Collateral, only that portion related to the items referred to in the preceding clauses (i) through (xii) as being included in the Notes Priority Lien Collateral shall be included in the Notes Priority Lien Collateral; and

(xiv) all Cash Proceeds (other than all identifiable Cash Proceeds of any ABL Facility Priority Lien Collateral) and, solely to the extent not constituting ABL Facility Priority Lien Collateral, non-cash Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing;

provided, *however*, that (a) if Collateral of any type is received in exchange for ABL Facility Priority Lien Collateral in accordance with the terms of the ABL Facility Documents, such Collateral will be treated as ABL Facility Priority Lien Collateral and (b) if Collateral of any type is received in exchange for Notes Priority Lien Collateral in accordance with the terms of the Notes Documents, such Collateral will be treated as Notes Priority Lien Collateral.

"Notes Priority Lien Collateral Enforcement Actions" shall have the meaning set forth in Section 4.3(a).

"Notes Priority Lien Collateral Enforcement Action Notice" shall have the meaning set forth in Section 4.3(a).

"Notes Proceeds Account" shall mean one or more Deposit Accounts or Securities Accounts established by the Controlling Security Agent into which there may be deposited Proceeds of sales or dispositions of Notes Priority Lien Collateral (to the extent such Proceeds constitute Notes Priority

Lien Collateral).

"Notes Secured Parties" shall mean the First Lien Notes Secured Parties and the Second Lien Notes Secured Parties.

"Notes Security Agents" shall mean the First Lien Notes Security Trustee and the Second Lien Notes Security Trustee.

"Notes Security Documents" shall mean the First Lien Notes Security Documents and the Second Lien Notes Security Documents.

"Notes Standstill Period" shall have the meaning set forth in Section 3.2(a).

"Patents" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisionals, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

"Permitted Refinancing" shall mean, with respect to any Indebtedness under the Notes Documents or the ABL Facility Documents, the Refinancing of such Indebtedness ("Refinancing Indebtedness") in accordance with the requirements of this Agreement.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Pledged ABL Facility Priority Lien Collateral" shall have the meaning set forth in Section 3.4(e).

"Pledged Collateral" shall mean Pledged Stock, Pledged Notes or other Instruments, Securities and other Investment Property owned by any Grantor, whether or not physically delivered to an Agent pursuant to an ABL Facility Security Document or a Notes Security Document, excluding any items specifically excluded from the definition of Collateral.

"Pledged Notes" shall mean, with respect to any Grantor, all promissory notes at any time held or owned by such Grantor.

"Pledged Notes Priority Lien Collateral" shall have the meaning set forth in Section 2.4(e).

"Pledged Stock" shall mean, with respect to any Grantor, the shares of Capital Stock pledged by such Grantor pursuant to any ABL Facility Security Document or Notes Security Document (as applicable), as well as any other shares, stock certificates, options or rights of any nature whatsoever in respect of the Capital Stock of any issuer of such Capital Stock that may be issued or granted to, or held by, such Grantor while any ABL Facility Security Document or Notes Security Document is in effect.

"Proceeds" shall have the meaning assigned in Article 9 of the UCC and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time

in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), (iii) any and all proceeds of Pledged Collateral including dividends or other income from, and proceeds of, Pledged Collateral, collection thereon or distributions or payments with respect thereto and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recovery" shall have the meaning set forth in Section 6.17.

"Refinance" shall mean, in respect of any Indebtedness, to refinance, extend, renew, retire, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other Indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" shall have the meaning set forth in the definition of "Permitted Refinancing".

"Second Lien Notes Documents" shall mean (x) the Second Lien Notes Indenture, this Agreement, the First Lien/Second Lien Intercreditor Agreement and the other Debt Documents (as defined in the Second Lien Notes Indenture) and (y) each of the other agreements, documents and instruments providing for or evidencing any Second Lien Notes Obligation (including any Permitted Refinancing of any Second Lien Notes Obligation), together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing (but excluding, for the avoidance of doubt, any documents or agreements entered into in connection with an ABL Facility DIP Financing or a Notes DIP Financing).

"Second Lien Notes Indenture" shall have the meaning set forth in the recitals hereto.

"Second Lien Notes Obligations" shall mean all obligations (including guaranty obligations) of every nature of each Grantor, from time to time owed to the Second Lien Notes Secured Parties or any of them, under any Second Lien Notes Document (including any Second Lien Notes Document in respect of a Permitted Refinancing of any Second Lien Notes Obligations), including, without limitation, all "Secured Obligations" as defined in the Second Lien Notes Pledge and Security Agreement (or any similar term in any Second Lien Notes Document in respect of a Permitted Refinancing of any Second Lien Notes Document) and whether for principal amount outstanding, premium, accrued but unpaid interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Person, would have accrued on any Second Lien Notes Obligation (including any Permitted Refinancing of any Second Lien Notes Obligations) at the rate provided in the respective documentation, whether or not a claim is allowed against any such Grantor or any of their respective Subsidiaries for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise in each case in accordance with the terms and conditions set forth in the applicable Second Lien Notes Documents, and including any obligations in respect of Additional Debt which are designated as "Second Lien Notes Obligations".

"Second Lien Notes Pledge and Security Agreement" shall mean that certain Second Lien Pledge and Security Agreement, dated as of July 30, 2020, among the Issuers, each other Grantor and the Second Lien Notes Security Trustee, as amended, supplemented, restated, amended and restated and/or modified from time to time.

"Second Lien Notes Secured Parties" shall mean (a) the holders and trustees under the Second Lien Notes Indenture and shall include all former holders and trustees under the Second Lien Notes Indenture to the extent that any Second Lien Notes Obligations owing to such Persons were incurred while such Persons were holders or trustees under the Second Lien Notes Indenture and such Second Lien Notes

Obligations have not been paid or satisfied in full in cash and (b) all new Second Lien Notes Secured Parties to the extent set forth in Section 2.4(f).

"Second Lien Notes Security Documents" shall mean the Second Lien Notes Pledge and Security Agreement, the other Security Documents (as defined in the Second Lien Notes Indenture) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Second Lien Notes Obligations (including any Permitted Refinancing of any Second Lien Notes Obligation) or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Second Lien Notes Security Trustee" shall have the meaning set forth in the recitals hereto and includes any New Second Lien Notes Security Agent to the extent set forth in Section 2.4(f).

"Second Lien Notes Trustee" shall have the meaning set forth in the recitals hereto.

"Second Priority" shall mean, (i) with respect to any Lien purported to be created on any Notes Priority Lien Collateral pursuant to any ABL Facility Security Document, that such Lien is prior in right to any other Lien thereon, other than (x) Liens of the type described in clause (ff) of the definition of "Permitted Liens" in the ABL Facility Credit Agreement as in effect on the Effective Date (or any equivalent or similar baskets or exceptions under the documentation governing or evidencing any Permitted Refinancing thereof), (y) Notes Permitted Liens of the type permitted to be prior to the Liens on the Notes Priority Lien Collateral in accordance with clause (ii) of the definition "First Priority" contained herein and (z) any Lien on Notes Priority Lien Collateral that is permitted by each Financing Agreement to be pari passu with each Notes Security Agent's Lien in the Notes Priority Lien Collateral and (ii) with respect to any Lien purported to be created on any ABL Facility Priority Lien Collateral pursuant to any Notes Security Document, that such Lien is prior in right to any other Lien thereon, other than (x) Liens of the type permitted pursuant to the type described in clause (33) of the definition of "Permitted Liens" in the Indentures as in effect on the Effective Date (or any equivalent or similar baskets or exceptions under the documentation governing or evidencing any Permitted Refinancing thereof) or as permitted under the First Lien/Second Lien Intercreditor Agreement, (y) ABL Facility Permitted Liens of the type permitted to be prior to the Liens on the ABL Facility Priority Lien Collateral in accordance with clause (i) of the definition "First Priority" contained herein and (z) any Lien on ABL Facility Priority Lien Collateral that is permitted by each Financing Agreement to be pari passu with each Notes Security Agent's Lien in the ABL Facility Priority Lien Collateral.

"Secured Parties" shall mean, collectively, the ABL Facility Secured Parties and the Notes Secured Parties.

"Securities" shall have the meaning set forth in Article 8 of the UCC.

"Securities Accounts" shall have the meaning set forth in Article 8 of the UCC.

"Securities Entitlements" shall have the meaning set forth in Article 8 of the UCC.

"Security Agents" shall have the meaning set forth in the recitals hereto.

"Security Document" shall mean any ABL Facility Security Document or any Notes Security Document.

"Software" shall mean computer programs, source code, object code and supporting documentation including "software" as such term is defined in Article 9 of the UCC, as well as computer

programs that may be construed as included in the definition of Goods.

"Subsidiary" shall mean, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50.0% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; *provided* that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"Supporting Obligations" shall have the meaning set forth in Article 9 of the UCC.

"Tangible Chattel Paper" shall mean "tangible chattel paper" as such term is defined in Article 9 of the UCC.

"Trade Secrets" shall mean any and all (a) trade secrets or other confidential and proprietary information, including unpatented inventions, invention disclosures, engineering or other data, information, production procedures, know-how, financial data, customer lists, supplier lists, business and marketing plans, processes, schematics, algorithms, techniques, analyses, proposals, source code, and data collections; (b) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims and payments for past and future infringements thereof; (c) all rights to sue for past, present and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (d) all rights corresponding to any of the foregoing throughout the world.

"Trademarks" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and logos, slogans and other indicia of origin and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all licenses of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the creation or perfection of security interests in any Collateral.

"WF" shall have the meaning set forth in the introductory paragraph hereof.

1.2. 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, restated, amended and restated, supplemented, renewed, extended, refunded, replaced or Refinanced or otherwise modified to the extent not prohibited hereby, (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 of this Agreement, (d) all references herein to Exhibits or Sections shall be construed to refer to Exhibits or Sections of this Agreement, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (f) terms defined in the UCC but not otherwise defined herein shall have the same meanings herein as are assigned thereto in the UCC, (g) reference to any law means such law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect on the date hereof, including rules, regulations, enforcement procedures and any interpretations promulgated thereunder, (h) references to Sections or clauses shall refer to those portions of this Agreement, and any references to a clause shall, unless otherwise identified, refer to the appropriate clause within the same Section in which such reference occurs, and (i) any reference to a definition in any ABL Facility Document, First Lien Notes Document or Second Lien Notes Document shall be construed to also refer to any comparable term in any agreement, instrument, or other document the debt under which Refinances the ABL Facility Obligations, First Lien Notes Obligations or Second Lien Notes Obligations, as applicable; *provided* that any comparable term resulting from such Refinancing would be permitted hereunder if such term had resulted from the amendment or modification of the ABL Facility Obligations, First Lien Notes Obligations or Second Lien Notes Obligations, as applicable, that are the subject of such Refinancing.

Section 2. Notes Priority Lien Collateral.

2.1. Lien Priorities.

(a) *Relative Priorities*. Notwithstanding (i) the time, manner, order or method of grant, creation, attachment or perfection of any Liens securing the ABL Facility Obligations granted on the Notes Priority Lien Collateral or of any Liens securing the Notes Obligations granted on the Notes Priority Lien Collateral, (ii) the validity or enforceability of the security interests and Liens granted in favor of any Security Agent or any Secured Party on the Notes Priority Lien Collateral, (iii) the date on which any ABL Facility Obligations or Notes Obligations are made, extended or issued, (iv) any provision of the UCC or any other applicable law, including any rule for determining priority thereunder or under any other law or rule governing the relative priorities of secured creditors, including with respect to real property or fixtures, (v) any provision set forth in any ABL Facility Document or any Notes Document (other than this Agreement), (vi) the possession or control by any Security Agent or any Secured Party or any bailee of all or any part of any Notes Priority Lien Collateral as of the date hereof or otherwise, (vii) any failure by any Notes Secured Party to perfect its security interests in the Notes Priority Lien Collateral or (viii) any other circumstance whatsoever, the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, hereby agrees that:

(i) any Lien on the Notes Priority Lien Collateral securing any Notes Obligations now or hereafter held by or on behalf of any Notes Security Agent or any Notes Secured Party or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien on the Notes Priority Lien Collateral securing any of the ABL Facility Obligations; and

(ii) any Lien on the Notes Priority Lien Collateral now or hereafter held by or on behalf of the ABL Facility Administrative Agent or any ABL Facility Secured Party or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Notes Priority Lien Collateral securing any Notes Obligations.

All Liens on the Notes Priority Lien Collateral securing any Notes Obligations shall be and remain senior in all respects and prior to all Liens on the Notes Priority Lien Collateral securing any ABL Facility

Obligations for all purposes, whether or not such Liens securing any Notes Obligations are subordinated to any Lien securing any other obligation of any Borrower, any other Grantor or any other Person (but only to the extent that such subordination is not prohibited pursuant to Section 3.5). The parties hereto acknowledge and agree that it is their intent that the ABL Facility Obligations (and the security therefor) constitute a separate and distinct class (and separate and distinct claims) from the Notes Obligations (and the security therefor). This Section 2.1(a) is intended to govern the relationship between the classes of claims held by the ABL Facility Secured Parties, on the one hand, and a collective class of claims comprised of each series of claims of the Notes Secured Parties (as opposed to separate classes of each such series of claims), on the other hand, and, for the avoidance of doubt, nothing set forth herein shall in any way alter or modify the relationship of each series of such separate claims held by the holders of the Notes Obligations, including as set forth in the First Lien/Second Lien Intercreditor Agreement if in effect, or otherwise cause such different claims to be combined into one or more classes or otherwise classified in a manner that violates the First Lien/Second Lien Intercreditor Agreement if in effect.

(b) *Prohibition on Contesting Liens*. Each of the ABL Facility Administrative Agent, for itself and on behalf of each ABL Facility Secured Party, and each Notes Security Agent, for itself and on behalf of each Notes Secured Party that it represents, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the priority, validity, extent, perfection or enforceability of a Lien held by or on behalf of any of the Notes Secured Parties in the Notes Priority Lien Collateral or by or on behalf of any of the ABL Facility Secured Parties in the Notes Priority Lien Collateral, as the case may be, (ii) the validity or enforceability of any ABL Facility Security Document (or any ABL Facility Obligations thereunder) or any Notes Security Document (or any Notes Obligations thereunder) or (iii) the relative rights and duties of the holders of the ABL Facility Obligations and the Notes Obligations granted and/or established in this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Security Agents or any Secured Party to enforce this Agreement, including the priority of the Liens on the Notes Priority Lien Collateral securing the Notes Obligations and the ABL Facility Obligations as provided in Sections 2.1(a) and 2.2(a).

(c) *No New Liens*. So long as the Discharge of Notes Obligations has not occurred, except as contemplated by Section 2.5(c) or in the final sentence of the definition of "Collateral", the parties hereto agree that no Borrower nor any other Grantor shall grant or permit any additional Liens on any asset or property of any Grantor to secure any ABL Facility Obligation unless it has granted or contemporaneously grants (i) a First Priority Lien on such asset or property to secure the Notes Obligations if such asset or property constitutes Notes Priority Lien Collateral or (ii) a Second Priority Lien on such asset or property to secure the Notes Obligations if such asset or property constitutes ABL Facility Priority Lien Collateral. To the extent that the provisions of clause (i) in the immediately preceding sentence are not complied with for any reason, without limiting any other rights and remedies available to the Notes Security Agents and/or the Notes Secured Parties, the ABL Facility Administrative Agent, on behalf of ABL Facility Secured Parties, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens on the Notes Priority Lien Collateral granted in contravention of such clause (i) of this Section 2.1(c) shall be subject to Section 2.3.

(d) *Effectiveness of Lien Priorities*. Each of the parties hereto acknowledges that the Lien priorities provided for in this Agreement shall not be affected or impaired in any manner whatsoever, including, without limitation, on account of: (i) the invalidity, irregularity or unenforceability of all or any part of the ABL Facility Documents or the Notes Documents; (ii) any amendment, change or modification of any ABL Facility Documents or Notes Documents not in contravention of the terms of this Agreement; or (iii) any impairment, modification, change, exchange, release or subordination of or limitation on, any liability of, or stay of actions or lien enforcement proceedings against, any Borrower or any of its Subsidiaries party to any of the ABL Facility Documents or Notes Documents, its property, or its estate in

bankruptcy resulting from any bankruptcy, arrangement, readjustment, composition, liquidation, rehabilitation, similar proceeding or otherwise involving or affecting any Secured Party.

(e) *Similar Liens and Agreements*. The parties hereto agree that, subject to the final sentence of the definition of "Collateral" and except as expressly contemplated by the first sentence of Section 3.1(c) with respect to real property, if any, that does not become subject to a Lien securing the ABL Facility Obligations, it is their intention that the Collateral securing each of the ABL Facility Obligations and the Notes Obligations be the same. In furtherance of the foregoing and of Section 6.7, each Security Agent and each Secured Party agrees, subject to the other provisions of this Agreement, upon request by any Security Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the Collateral securing the ABL Facility Obligations or the Notes Obligations, as the case may be, and the steps taken to perfect the Liens thereon and the identity of the respective parties obligated under the ABL Facility Documents or the Notes Documents, as the case may be.

2.2. Exercise of Remedies.

(a) So long as the Discharge of Notes Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor:

(i) neither the ABL Facility Administrative Agent nor any of the ABL Facility Secured Parties (x) will exercise or seek to exercise any rights or remedies (including, without limitation, setoff) with respect to any Notes Priority Lien Collateral (including, without limitation, the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of Notes Priority Lien Collateral to which the ABL Facility Administrative Agent or any ABL Facility Secured Party is a party) or institute or commence, or join with any Person (other than the Controlling Security Agent, on behalf of the Notes Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure), enforcement, collection or execution; *provided, however*, that the ABL Facility Administrative Agent may exercise any or all such rights in accordance with the ABL Facility Documents after the passage of a period of 180 days from the date of delivery of a notice in writing to the Controlling Security Agent of the ABL Facility Administrative Agent's intention to exercise its right to take such actions (the "ABL Facility Standstill Period"); *provided, further, however*, notwithstanding anything herein to the contrary, neither the ABL Facility Administrative Agent nor any ABL Facility Secured Party will exercise any rights or remedies with respect to any Notes Priority Lien Collateral if, notwithstanding the expiration of the ABL Facility Standstill Period, the Controlling Security Agent, on behalf of the Notes Secured Parties, shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to a material portion of the Notes Priority Lien Collateral (prompt notice of such exercise to be given to the ABL Facility Administrative Agent, it being understood and agreed that any failure to provide such notice shall not impair any of the Controlling Security Agent's or the Notes Secured Parties' rights hereunder), (y) will contest, protest or object to any foreclosure proceeding or action brought by the Controlling Security Agent, on behalf of any Notes Secured Party, with respect to, or any other exercise by the Controlling Security Agent, on behalf of any Notes Secured Party, of any rights and remedies relating to, the Notes Priority Lien Collateral under the Notes Documents or otherwise, and (z) subject to its rights under clause (i)(x) above, will object to the forbearance by the Controlling Security Agent, on behalf of the Notes Secured Parties, from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Notes Priority Lien Collateral, in each case so long as the respective interests of the ABL Facility Secured Parties attach to the Proceeds

thereof subject to the relative priorities described in Section 2.1; *provided*, *however*, that nothing in this Section 2.2(a) shall be construed to authorize the ABL Facility Administrative Agent or any ABL Facility Secured Party to sell any Notes Priority Lien Collateral free of the Lien of any Notes Security Agent or any Notes Secured Party; and

(ii) subject to Section 4 and clause (i)(x) above, the Controlling Security Agent, on behalf of the Notes Secured Parties, shall have the exclusive right to enforce rights, exercise remedies (including set off and the right to credit bid their debt (*provided* that any Notes Secured Party may credit bid their debt to the extent in accordance with the First Lien/Second Lien Intercreditor Agreement)) and make determinations regarding the disposition of, or restrictions with respect to, the Notes Priority Lien Collateral without any consultation with or the consent of the ABL Facility Administrative Agent or any ABL Facility Secured Party; *provided*, that:

(1) in any Insolvency or Liquidation Proceeding commenced by or against any Borrower or any other Grantor, the ABL Facility Administrative Agent and any ABL Facility Secured Party may file a claim or statement of interest with respect to the Notes Obligations;

(2) the ABL Facility Administrative Agent and any ABL Facility Secured Party may take any action (not adverse to the priority status of the Liens on the Notes Priority Lien Collateral securing the Notes Obligations, or the rights of any Notes Security Agent or the Notes Secured Parties to exercise remedies in respect thereof) reasonably necessary in order to preserve or protect its Lien on the Notes Priority Lien Collateral;

(3) the ABL Facility Secured Parties shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the ABL Facility Secured Parties, including without limitation any claims secured by the Notes Priority Lien Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) the ABL Facility Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement and to the extent not prohibited by any other provision of this Agreement;

(5) the ABL Facility Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Notes Priority Lien Collateral; and

(6) the ABL Facility Administrative Agent or any ABL Facility Secured Party may exercise any of its rights or remedies with respect to the Notes Priority Lien Collateral in accordance with the ABL Facility Documents after the termination of the ABL Facility Standstill Period to the extent permitted by clause (i)(x) above.

Subject to Section 4 and clause (i)(x) above, in exercising rights and remedies with respect to the Notes Priority Lien Collateral, the Controlling Security Agent, on behalf of the Notes Secured Parties, may enforce the provisions of the Notes Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Notes Priority Lien

Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under any other applicable law.

(b) The ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, agrees that it will not take or receive any Notes Priority Lien Collateral or any Proceeds of Notes Priority Lien Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Notes Priority Lien Collateral unless and until the Discharge of Notes Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 2.2(a) or in clause (6) of the proviso in clause (ii) of Section 2.2(a) or in Section 4. Without limiting the generality of the foregoing, unless and until the Discharge of Notes Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 2.2(a) or in the proviso in clause (ii) of Section 2.2(a) or in Section 4, the sole right of the ABL Facility Administrative Agent and the ABL Facility Secured Parties with respect to the Notes Priority Lien Collateral is to hold a Lien on the Notes Priority Lien Collateral pursuant to the ABL Facility Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Notes Obligations has occurred in accordance with the terms hereof, the Notes Documents and applicable law.

(c) Subject to the first proviso in clause (i)(x) of Section 2.2(a), clause (6) of the proviso in clause (ii) of Section 2.2(a) and Section 4:

(i) the ABL Facility Administrative Agent, for itself and on behalf of the ABL Facility Secured Parties, agrees that the ABL Facility Administrative Agent and the ABL Facility Secured Parties will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the Notes Documents with respect to the Notes Priority Lien Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the Notes Priority Lien Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or Notes Security Document with respect to the Notes Priority Lien Collateral or subordinate the priority of the Notes Obligations (or any series thereof) to the ABL Facility Obligations with respect to the Notes Priority Lien Collateral or grant the Liens with respect to the Notes Priority Lien Collateral securing the ABL Facility Obligations equal ranking to the Liens with respect to the Notes Priority Lien Collateral securing the Notes Obligations, and

(ii) the ABL Facility Administrative Agent, for itself and on behalf of the ABL Facility Secured Parties, hereby waives any and all rights it or the ABL Facility Secured Parties may have as a junior lien creditor with respect to the Notes Priority Lien Collateral or otherwise to object to the manner in which the Controlling Security Agent, on behalf of the Notes Secured Parties, seek to enforce or collect the Notes Obligations or the Liens granted in any of the Notes Priority Lien Collateral, in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the Controlling Security Agent or Notes Secured Parties is adverse to the interest of the ABL Facility Secured Parties.

(d) The ABL Facility Administrative Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any ABL Facility Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Notes Security Agents or the Notes Secured Parties with respect to the Notes Priority Lien Collateral as set forth in this Agreement and the Notes Documents.

2.3. Payments Over. So long as the Discharge of Notes Obligations has not occurred, any Notes Priority Lien Collateral, Cash Proceeds thereof or non-cash Proceeds constituting Notes Priority Lien Collateral (or any distribution in respect of the Notes Priority Lien Collateral, whether or not expressly

characterized as such) received by the ABL Facility Administrative Agent or any ABL Facility Secured Party in connection with the exercise of any right or remedy (including set off) relating to the Notes Priority Lien Collateral or otherwise that is inconsistent with this Agreement shall be segregated and held in trust and forthwith paid over to the Controlling Security Agent, for the benefit of the Notes Secured Parties, for application in accordance with Section 5.1 below, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Controlling Security Agent is hereby authorized to make any such endorsements as agent for the ABL Facility Administrative Agent or any such ABL Facility Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of Notes Obligations.

2.4. Other Agreements.

(a) *Releases*.

(i) If, in connection with:

(1) the exercise of any Controlling Security Agent's remedies in respect of the Notes Priority Lien Collateral provided for in any Notes Document, including any sale, lease, exchange, transfer or other disposition of any such Notes Priority Lien Collateral;

(2) any sale, lease, exchange, transfer or other disposition of any Notes Priority Lien Collateral permitted under the terms of the Notes Documents and the ABL Facility Documents (other than in connection with the Discharge of Notes Obligations); or

(3) any sale, lease, exchange, transfer or other disposition of any Notes Priority Lien Collateral by any Grantor after an Event of Default (as defined in the applicable Notes Documents) with the consent of the Controlling Security Agent,

the Controlling Security Agent, for itself or on behalf of any of the Notes Secured Parties, releases any of its Liens on any part of the Notes Priority Lien Collateral, then the Liens, if any, of the ABL Facility Administrative Agent, for itself or for the benefit of the ABL Facility Secured Parties, on such Notes Priority Lien Collateral (but not the Proceeds thereof, which shall be subject to the priorities set forth in this Agreement) shall be automatically, unconditionally and simultaneously released and the ABL Facility Administrative Agent, for itself or on behalf of any such ABL Facility Secured Parties, promptly shall execute and deliver to the Controlling Security Agent or such Grantor such termination statements, releases and other documents as the Controlling Security Agent or such Grantor may request to effectively confirm such release.

(ii) Until the Discharge of Notes Obligations occurs, the ABL Facility Administrative Agent, for itself and on behalf of the ABL Facility Secured Parties, hereby irrevocably constitutes and appoints the Controlling Security Agent and any officer or agent of the Controlling Security Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of the ABL Facility Administrative Agent or such holder or in the Controlling Security Agent's own name, from time to time in the Controlling Security Agent's discretion, for the purpose of carrying out the terms of this Section 2.4(a) with respect to Notes Priority Lien Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 2.4(a) with respect to Notes Priority Lien Collateral, including any endorsements or other instruments of transfer or release.

(iii) Until the Discharge of Notes Obligations occurs, to the extent that the Notes Secured Parties (a) have released any Lien on Notes Priority Lien Collateral and any such Lien is

later reinstated or (b) obtain any new First Priority Liens on assets constituting Notes Priority Lien Collateral from Grantors, then the ABL Facility Secured Parties shall be granted a Second Priority Lien on any such Notes Priority Lien Collateral in accordance with Section 2.1(e) and Section 3.1(c).

(iv) If, prior to the Discharge of Notes Obligations, a subordination of each Notes Security Agent's Lien on any Notes Priority Lien Collateral is permitted under the Notes Financing Agreements and the ABL Facility Credit Agreement to another Lien permitted under the Notes Financing Agreements and the ABL Facility Credit Agreement (a "Notes Collateral Priority Lien"), then each Notes Security Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance reasonably satisfactory to it, and the ABL Facility Administrative Agent, for itself and on behalf of the ABL Facility Secured Parties, shall promptly execute and deliver to the Controlling Security Agent an identical subordination agreement subordinating the Liens of the ABL Facility Administrative Agent for the benefit of (and behalf of) the ABL Facility Secured Parties to such Notes Collateral Priority Lien.

(b) *Insurance*. Unless and until the Discharge of Notes Obligations has occurred, the Controlling Security Agent, on behalf of the Notes Secured Parties, shall have the sole and exclusive right, subject to the rights of the Grantors under the Notes Documents, to adjust settlement for any Insurance policy covering the Notes Priority Lien Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the Notes Priority Lien Collateral; ***provided*** that, if any Insurance claim includes both ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral, the insurer will not settle such claim separately with respect to ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral, and if the Controlling Security Agent and the ABL Facility Administrative Agent are unable after negotiating in good faith to agree on the settlement for such claim, the Controlling Security Agent and the ABL Facility Administrative Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the parties. If the ABL Facility Administrative Agent or any ABL Facility Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this Section 2.4(b), it shall pay such Proceeds over to the Controlling Security Agent in accordance with the terms of Section 5.2(c).

(c) *Amendments to, and Refinancing of, ABL Facility Documents*.

(i) Subject to the Notes Financing Agreements (as in effect on the Effective Date), the ABL Facility Documents may be amended, restated, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the ABL Facility Documents may be Refinanced, in each case, without notice to, or the consent of, any Notes Security Agent or the other Notes Secured Parties (but subject to the requirements of the last sentence of this paragraph and of Section 3.4(f) below), all without affecting the lien subordination or other provisions of this Agreement; ***provided*** that no such amendment, restatement, amendment and restatement, replacement, supplement or other modification shall result in, or have the effect of increasing the interest rate margin (whether in cash or in kind) applicable to the Indebtedness outstanding under the ABL Facility Documents by more than 2.00% per annum (the "ABL Debt Margin Cap"); for purposes of calculating the ABL Debt Margin Cap, (i) the following shall be deemed to be increases in interest rate: any recurring fee payable to all holders of such Indebtedness in their capacities as such and (ii) the following shall be deemed not to be increases in interest rate: (1) any upfront fees or any original issue discount; (2) the accrual of interest at the default rate of interest (as in effect on the Effective Date); (3) any amendment, waiver, consent or forbearance related fees and expenses payable in the event of an amendment, amendment and restatement, replacement, supplement, forbearance or modification; (4) arrangement, commitment, underwriting, structuring,

amendment or other fees and expenses paid or payable to any agent, arranger, underwriter, trustee or similar Person in their respective capacities as such); (5) administrative agency and collateral monitoring fees payable to the ABL Facility Administrative Agent; and (6) the effect of any amendment or modification to replace LIBOR in a manner substantially consistent in all material respects, when taken as a whole, with market practice in other financings arrangements of a similar size and nature at the time of such amendment or modification. Each Notes Security Agent on behalf of itself and the other Notes Secured Parties acknowledges that a portion of the ABL Facility Obligations represents debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, without affecting the provisions hereof. The ABL Facility Documents may be Refinanced to the extent the terms and conditions of such Refinancing Indebtedness meet the requirements of each Financing Agreement (as in effect on the Effective Date) and the holders of such Refinancing Indebtedness bind themselves in a writing addressed to each Notes Security Agent and the Notes Secured Party to the terms of this Agreement; *provided* that, if such Refinancing Indebtedness is secured by a Lien on any Collateral, the holders of such Refinancing Indebtedness shall be deemed bound by the terms hereof regardless of whether or not any such writing is provided.

(ii) The Grantors agree that each ABL Facility Security Document shall include the following language (with any necessary modifications to give effect to applicable definitions) (or language to similar effect approved by the Controlling Security Agent):

> "Notwithstanding anything herein to the contrary, the priority of the liens and security interests granted to the ABL Facility Administrative Agent pursuant to this Agreement in any Notes Priority Lien Collateral (as defined in the Intercreditor Agreement described below) and the exercise of any right or remedy by the ABL Facility Administrative Agent with respect to any Notes Priority Lien Collateral hereunder are subject to the provisions of the Intercreditor Agreement, dated as of May 7, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among Anagram Holdings, LLC, a Delaware limited liability company, Anagram International, Inc., a Minnesota corporation, the other Grantors from time to time party thereto, Wells Fargo Bank, National Association, as ABL Facility Administrative Agent, Ankura Trust Company, LLC, as Controlling Security Agent, and certain other Persons party or that may become party thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement with respect to the priority of any security interests or the exercise of any rights or remedies shall govern and control."

In addition, the Grantors agree that each mortgage in favor of the ABL Facility Secured Parties covering any Notes Priority Lien Collateral shall also contain such other language as the Controlling Security Agent may reasonably request to reflect the subordination of such mortgage to the mortgage in favor of the Notes Secured Parties covering such Notes Priority Lien Collateral.

(iii) [Reserved]

(iv) Each Notes Security Agent shall endeavor to give prompt notice of any amendment, waiver or consent of a Notes Document to which it is party to the ABL Facility Administrative Agent after the effective date of such amendment, waiver or consent; *provided*, that the failure of any Notes Security Agent to give any such notice shall not affect the priority of any Notes Security Agent's Liens as provided herein or the validity or effectiveness of any such notice as against the Grantors or any of their Subsidiaries.

(d) *Rights as Unsecured Creditors*. Except as otherwise set forth in this Agreement, the ABL Facility Administrative Agent and the ABL Facility Secured Parties may exercise rights and remedies as unsecured creditors against any Borrower or any other Grantor in accordance with the terms of the ABL Facility Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing in this Agreement shall prohibit the receipt by the ABL Facility Administrative Agent or any ABL Facility Secured Party of the required payments of interest, principal and other amounts in respect of the ABL Facility Obligations so long as such receipt is not the direct or indirect result of the exercise by the ABL Facility Administrative Agent or any ABL Facility Secured Party of rights or remedies as a secured creditor (including set off) in respect of the Notes Priority Lien Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien held by any of them. In the event the ABL Facility Administrative Agent or any other ABL Facility Secured Party becomes a judgment lien creditor in respect of any Notes Priority Lien Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subordinated to the Liens securing Notes Obligations on the same basis as the other Liens on the Notes Priority Lien Collateral securing the ABL Facility Obligations are so subordinated to such Notes Obligations under this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Notes Security Agents or the other Notes Secured Parties may have with respect to the Notes Priority Lien Collateral.

(e) *Bailee for Perfection*.

(i) The Controlling Security Agent agrees to hold or control that part of the Notes Priority Lien Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law (such Notes Priority Lien Collateral being the "Pledged Notes Priority Lien Collateral") as collateral agent for the Notes Secured Parties and as bailee for and, with respect to any Notes Priority Lien Collateral that cannot be perfected in such manner, as agent for, the ABL Facility Administrative Agent (on behalf of the ABL Facility Secured Parties) and any assignee thereof solely for the purpose of perfecting the security interest granted under the Notes Documents and the ABL Facility Documents, respectively, subject to the terms and conditions of this Section 2.4(e).

(ii) Subject to the terms of this Agreement, until the Discharge of Notes Obligations has occurred, the Controlling Security Agent shall be entitled to deal with the Pledged Notes Priority Lien Collateral in accordance with the terms of the Notes Documents as if the Liens of the ABL Facility Administrative Agent under the ABL Facility Security Documents did not exist. The rights of the ABL Facility Administrative Agent shall at all times be subject to the terms of this Agreement and to each Notes Security Agent's rights under the Notes Documents.

(iii) The Controlling Security Agent shall have no obligation whatsoever to any Notes Secured Party, the ABL Facility Administrative Agent or any ABL Facility Secured Party to ensure that the Pledged Notes Priority Lien Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 2.4(e). The duties or responsibilities of the Controlling Security Agent under this Section 2.4(e) shall be limited solely to holding the Pledged Notes Priority Lien Collateral as bailee or agent in accordance with this Section 2.4(e).

(iv) The Controlling Security Agent acting pursuant to this Section 2.4(e) shall not have by reason of the Notes Security Documents, the ABL Facility Documents, this Agreement or any other document a fiduciary relationship in respect of any Notes Secured Party, the ABL Facility Administrative Agent or any ABL Facility Secured Party, and each of the foregoing hereby waives and releases the Controlling Security Agent from all claims and liabilities arising pursuant to the

Controlling Security Agent's role under this Section 2.4(e) as gratuitous bailee and agent with respect to the Pledged Notes Priority Lien Collateral.

(v) Upon the Discharge of Notes Obligations, the Controlling Security Agent shall deliver or cause to be delivered the remaining Pledged Notes Priority Lien Collateral (if any) in its possession or in the possession of its agents or bailees, together with any necessary endorsements, (I) first, to the ABL Facility Administrative Agent to the extent ABL Facility Obligations remain outstanding and (II) second, to the applicable Grantor to the extent no Notes Obligations or ABL Facility Obligations remain outstanding and will cooperate with the ABL Facility Administrative Agent or such Grantor, as the case may be, in assigning (without recourse to or warranty by the Controlling Security Agent or any Notes Secured Party or agent or bailee thereof) control over any other Pledged Notes Priority Lien Collateral under its control. The Controlling Security Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors) in connection with such Person obtaining a first priority interest in the Pledged Notes Priority Lien Collateral or as a court of competent jurisdiction may otherwise direct.

(vi) Notwithstanding anything to the contrary herein, if, for any reason, any ABL Facility Obligations remain outstanding upon the Discharge of Notes Obligations, all rights of the Controlling Security Agent hereunder and under the Notes Security Documents or the ABL Facility Security Documents (1) with respect to the delivery and control of any part of the Notes Priority Lien Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such Notes Priority Lien Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of either of the ABL Facility Administrative Agent or any Notes Security Agent, pass to the ABL Facility Administrative Agent, who shall thereafter hold such rights for the benefit of the ABL Facility Secured Parties. Each of the Controlling Security Agent and the Grantors agrees that it will, if any ABL Facility Obligations remain outstanding upon the Discharge of Notes Obligations, take any other action required by any law or reasonably requested by the ABL Facility Administrative Agent (at the sole cost and expense of the Grantors), in connection with the ABL Facility Administrative Agent's establishment and perfection of a First Priority security interest in the Notes Priority Lien Collateral.

(vii) Notwithstanding anything to the contrary contained herein, if for any reason, prior to the Discharge of ABL Facility Obligations, any Notes Security Agent acquires possession of any Pledged ABL Facility Priority Lien Collateral, such Notes Security Agent shall hold same as bailee and/or agent to the same extent as is provided in preceding clause (i) with respect to Pledged Notes Priority Lien Collateral, ***provided*** that as soon as is practicable such Notes Security Agent shall deliver or cause to be delivered such Pledged ABL Facility Priority Lien Collateral to the ABL Facility Administrative Agent in a manner otherwise consistent with the requirements of preceding clause (v).

(f) *When Discharge of Notes Obligations Deemed to Not Have Occurred*.

(i) Notwithstanding anything to the contrary herein, if concurrently with (or immediately after) the Discharge of First Lien Notes Obligations, any Borrower and/or any other Grantor enters into any Permitted Refinancing of any First Lien Notes Obligations, then such Discharge of First Lien Notes Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the Permitted Refinancing shall automatically be treated as First Lien Notes Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "First Lien Notes Indenture" shall be deemed appropriately modified to refer to such Permitted Refinancing and (x) the First Lien Notes Security Trustee under such First Lien Notes Documents

shall be a First Lien Notes Security Trustee, for all purposes hereof and the new secured parties under such First Lien Notes Documents shall automatically be treated as First Lien Notes Secured Parties for all purposes of this Agreement. Upon receipt of a notice stating that any Borrower and/or any other Grantor has entered into a new First Lien Notes Document in respect of a Permitted Refinancing of First Lien Notes Obligations (which notice shall include the identity of the new security agent with respect to such Refinancing Indebtedness, such agent, the "New First Lien Notes Security Agent"), and delivery by the New First Lien Notes Security Agent of an Intercreditor Agreement Joinder to each other Security Agent hereunder, the ABL Facility Administrative Agent shall promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as any Borrower or such New First Lien Notes Security Agent shall reasonably request in order to provide to the New First Lien Notes Security Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) deliver to the New First Lien Notes Security Agent (to the extent it is then the Controlling Security Agent) any Notes Priority Lien Collateral held by the ABL Facility Administrative Agent together with any necessary endorsements (or otherwise allow the New First Lien Notes Security Agent (to the extent it is then the Controlling Security Agent) to obtain control of such Notes Priority Lien Collateral). The New First Lien Notes Security Agent shall agree to be bound by the terms of this Agreement. If the new First Lien Notes Obligations under the new First Lien Notes Documents are secured by assets of the Grantors of the type constituting Notes Priority Lien Collateral that do not also secure the ABL Facility Obligations, then the ABL Facility Obligations shall be secured at such time by a Second Priority Lien on such assets to the same extent provided in the ABL Facility Security Documents with respect to the other Notes Priority Lien Collateral in accordance with Section 2.1(e) and Section 3.1(c). If the new First Lien Notes Obligations under the new First Lien Notes Documents are secured by assets of the Grantors of the type constituting ABL Facility Priority Lien Collateral that do not also secure the ABL Facility Obligations, then the ABL Facility Obligations shall be secured at such time by a First Priority Lien on such assets to the same extent provided in the ABL Facility Security Documents with respect to the other ABL Facility Priority Lien Collateral in accordance with Section 2.1(e) and Section 3.1(c).

(ii) Notwithstanding anything to the contrary herein, if concurrently with (or immediately after) the Discharge of Second Lien Notes Obligations, any Borrower and/or any other Grantor enters into any Permitted Refinancing of any Second Lien Notes Obligations, then such Discharge of Second Lien Notes Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the Permitted Refinancing shall automatically be treated as Second Lien Notes Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "Second Lien Notes Indenture" shall be deemed appropriately modified to refer to such Permitted Refinancing and (x) the Second Lien Notes Security Trustee under such Second Lien Notes Documents shall be a Second Lien Notes Security Trustee, for all purposes hereof and the new secured parties under such Second Lien Notes Documents shall automatically be treated as Second Lien Notes Secured Parties for all purposes of this Agreement. Upon receipt of a notice stating that any Borrower and/or any other Grantor has entered into a new Second Lien Notes Document in respect of a Permitted Refinancing of Second Lien Notes Obligations (which notice shall include the identity of the new security agent with respect to such Refinancing Indebtedness, such agent, the "New Second Lien Notes Security Agent"), and delivery by the New Second Lien Notes Security Agent of an Intercreditor Agreement Joinder to each other Security Agent hereunder, the ABL Facility Administrative Agent shall promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as any Borrower or such New Second Lien Notes Security Agent shall reasonably request in order to provide to the New Second Lien Notes Security Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) deliver to the New Second Lien Notes

Security Agent (to the extent it is then the Controlling Security Agent) any Pledged Notes Priority Lien Collateral held by the ABL Facility Administrative Agent together with any necessary endorsements (or otherwise allow the New Second Lien Notes Security Agent (to the extent it is then the Controlling Security Agent) to obtain control of such Pledged Notes Priority Lien Collateral). The New Second Lien Notes Security Agent shall agree to be bound by the terms of this Agreement. If the new Second Lien Notes Obligations under the new Second Lien Notes Documents are secured by assets of the Grantors of the type constituting Notes Priority Lien Collateral that do not also secure the ABL Facility Obligations, then the ABL Facility Obligations shall be secured at such time by a Second Priority Lien on such assets to the same extent provided in the ABL Facility Security Documents with respect to the other Notes Priority Lien Collateral in accordance with Section 2.1(e) and Section 3.1(c). If the new Second Lien Notes Obligations under the new Second Lien Notes Documents are secured by assets of the Grantors of the type constituting ABL Facility Priority Lien Collateral that do not also secure the ABL Facility Obligations, then the ABL Facility Obligations shall be secured at such time by a First Priority Lien on such assets to the same extent provided in the ABL Facility Security Documents with respect to the other ABL Facility Priority Lien Collateral in accordance with Section 2.1(e) and Section 3.1(c).

2.5. Insolvency or Liquidation Proceedings.

(a) *Finance and Sale Issues*. Until the Discharge of Notes Obligations has occurred, if any Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Controlling Security Agent shall desire to permit the use of cash collateral (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting Notes Priority Lien Collateral or to permit any Borrower or any other Grantor to obtain financing, whether from the Notes Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Laws, that is secured by a lien that is (i) senior or pari passu with the liens on the Notes Priority Lien Collateral securing the Notes Obligations, and (ii) junior to the liens on the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations (each, a "Notes DIP Financing"), then the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) such use of cash collateral constituting Notes Priority Lien Collateral or to the fact that the providers of such Notes DIP Financing may be granted Liens on the Collateral and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Controlling Security Agent or to the extent permitted by Section 2.5(c)) and, the ABL Facility Administrative Agent will subordinate its Liens in the Notes Priority Lien Collateral to the Liens securing such Notes DIP Financing (and all interest and other obligations relating thereto); ***provided*** that (i) the ABL Facility Administrative Agent and the other ABL Facility Secured Parties retain a Lien on the Collateral to secure the ABL Facility Obligations and, with respect to the ABL Facility Priority Lien Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (ii) to the extent that any Notes Security Agent is granted adequate protection in the form of a Lien on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding, the ABL Facility Administrative Agent is permitted to seek a Lien (without objection from any Notes Security Agent or any Notes Secured Party) on such Collateral (so long as, with respect to Notes Priority Lien Collateral, such Lien is junior to the Liens securing such Notes DIP Financing and the Notes Obligations), and (iii) the foregoing provisions of this Section 2.5(a) shall not prevent the ABL Facility Administrative Agent and the ABL Facility Secured Parties from objecting to any provision in any Notes DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws. The ABL Facility Administrative Agent agrees that it shall not, and nor shall any of the ABL Facility Secured Parties or their affiliates, directly or indirectly, provide, offer to provide, or support any financing under Section 364 of the Bankruptcy Code or any similar Debtor Relief Laws secured by a Lien on the Notes Priority Lien Collateral that is senior to or pari passu with the Liens securing the Notes Obligations or Notes DIP Financing, in any such case, without

the prior written consent of the Controlling Security Agent. The ABL Facility Administrative Agent, on behalf of the ABL Facility Secured Parties, agrees that it will not raise any objection or oppose (and be deemed to have consented to) a sale or other disposition of any Notes Priority Lien Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Second Priority Lien on the Notes Priority Lien Collateral in favor of the ABL Facility Administrative Agent in the same order and manner as otherwise set forth herein) or other claims under Section 363 of the Bankruptcy Code or any comparable provision of any other Debtor Relief Law, except for any objection or opposition that could be asserted by any ABL Facility Secured Party as an unsecured creditor in any such Insolvency or Liquidation Proceeding, if the Notes Secured Parties have consented to such sale or disposition of such assets; *provided* that the ABL Facility Administrative Agent and the other ABL Facility Secured Parties shall be entitled to seek and exercise Credit Bid Rights in respect of any such sale or disposition.

(b) *Relief from the Automatic Stay*. Until the Discharge of Notes Obligations has occurred, the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Notes Priority Lien Collateral without the prior written consent of the Controlling Security Agent.

(c) *Adequate Protection*. The ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, agrees that none of them shall raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) (i) any request by any Notes Security Agent or the Notes Secured Parties for adequate protection with respect to any Notes Priority Lien Collateral, (ii) so long as the request of adequate protection is in the form of a replacement lien on the ABL Facility Priority Lien Collateral that is junior to the liens on the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations, any request by any Notes Security Agent or the Notes Secured Parties for adequate protection with respect to any ABL Facility Priority Lien Collateral or (iii) any objection by any Notes Security Agent or the Notes Secured Parties to any motion, relief, action or proceeding based on any Notes Security Agent or the Notes Secured Parties that it represents claiming a lack of adequate protection with respect to the Notes Priority Lien Collateral. Notwithstanding the foregoing provisions in this Section 2.5(c), in any Insolvency or Liquidation Proceeding, (A) if the Notes Secured Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in the nature of assets constituting Notes Priority Lien Collateral in connection with any Notes DIP Financing or use of cash collateral constituting Notes Priority Lien Collateral, then the ABL Facility Administrative Agent, on behalf of itself or any of the ABL Facility Secured Parties, may seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the Liens securing the Notes Obligations and such Notes DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on Notes Priority Lien Collateral securing the ABL Facility Obligations are so subordinated to the Notes Obligations under this Agreement, and (B) in the event the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, seeks or requests adequate protection in respect of Notes Priority Lien Collateral securing ABL Facility Obligations and such adequate protection is granted in the form of additional collateral in the nature of assets constituting Notes Priority Lien Collateral, then the ABL Facility Administrative Agent, on behalf of itself or any of the ABL Facility Secured Parties, agrees that each Notes Security Agent shall also be granted a senior Lien on such additional collateral as security for the Notes Obligations and for any such Notes DIP Financing and that any Lien on such additional collateral securing the ABL Facility Obligations shall be subordinated to the Liens on such collateral securing the Notes Obligations and any such Notes DIP Financing (and all obligations relating thereto) and to any other Liens granted to the Notes Secured Parties as adequate protection on the same basis as the other Liens on Notes Priority Lien Collateral securing the ABL Facility Obligations are so subordinated to such Notes Obligations under this Agreement.

(d) *No Waiver*. Nothing contained herein shall prohibit or in any way limit any Notes

Security Agent or any Notes Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the ABL Facility Administrative Agent or any of the ABL Facility Secured Parties in respect of the Notes Priority Lien Collateral, including the seeking by the ABL Facility Administrative Agent or any ABL Facility Secured Party of adequate protection in respect thereof or the asserting by the ABL Facility Administrative Agent or any ABL Facility Secured Party of any of its rights and remedies under the ABL Facility Documents or otherwise in respect thereof.

(e) *Reorganization Securities*. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of Notes Obligations and on account of ABL Facility Obligations, then, to the extent the debt obligations distributed on account of the Notes Obligations and on account of the ABL Facility Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(f) *Post-Petition Interest*.

(i) Neither the ABL Facility Administrative Agent nor any ABL Facility Secured Party shall oppose or seek to challenge any claim by any Notes Security Agent or any Notes Secured Party for allowance in any Insolvency or Liquidation Proceeding of Notes Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the relevant Notes Security Agent, on behalf of the Notes Secured Parties that it represents, on the Notes Priority Lien Collateral (without regard to the existence of the Lien of the ABL Facility Administrative Agent on behalf of the ABL Facility Secured Parties on the Notes Priority Lien Collateral).

(ii) No Notes Security Agent nor any other Notes Secured Party shall oppose or seek to challenge any claim by the ABL Facility Administrative Agent or any ABL Facility Secured Party for allowance in any Insolvency or Liquidation Proceeding of ABL Facility Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the ABL Facility Administrative Agent, on behalf of the ABL Facility Secured Parties, on the Notes Priority Lien Collateral (after taking into account the Lien of the Notes Secured Parties on the Notes Priority Lien Collateral).

(g) *Waiver*. The ABL Facility Administrative Agent, for itself and on behalf of the ABL Facility Secured Parties, waives any claim it may hereafter have against any Notes Secured Party arising out of the election of any Notes Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with the Notes Priority Lien Collateral in any Insolvency or Liquidation Proceeding.

2.6. Reliance; Waivers; Etc.

(a) *Reliance*. Other than any reliance on the terms of this Agreement, the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, acknowledges that it and such ABL Facility Secured Parties have (and by their acceptance of the benefits hereof, each of the ABL Facility Secured Parties acknowledge that they have), independently and without reliance on any Notes Security Agent or any Notes Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the ABL Facility Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the ABL Facility Credit Agreement or this Agreement.

(b) *No Warranties or Liability*. The ABL Facility Administrative Agent, on behalf of

itself and the ABL Facility Secured Parties, acknowledges and agrees (and by their acceptance of the benefits hereof, each of the ABL Facility Secured Parties acknowledge and agree) that the Notes Security Agents and the Notes Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Notes Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The Notes Secured Parties will be entitled to manage and supervise their respective loans, securities and extensions of credit under their respective Notes Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Notes Security Agents and the Notes Secured Parties shall have no duty to the ABL Facility Administrative Agent or any of the ABL Facility Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Borrower or any other Grantor (including the Notes Documents and the ABL Facility Documents), regardless of any knowledge thereof which they may have or be charged with.

(c) *No Waiver of Lien Priorities*.

(i) No right of the Notes Secured Parties, the Notes Security Agents or any of them to enforce any provision of this Agreement or any Notes Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Borrower or any other Grantor or by any act or failure to act by any Notes Secured Party or any Notes Security Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Notes Documents or any of the ABL Facility Documents, regardless of any knowledge thereof which any Notes Security Agent or the Notes Secured Parties, or any of them, may have or be otherwise charged with.

(ii) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of any Borrower and the other Grantors under the Notes Documents and subject to the provisions of Section 2.4(c)), the Notes Secured Parties, the Notes Security Agents and any of them may, at any time and from time to time in accordance with the Notes Documents and/or applicable law, without the consent of, or notice to, the ABL Facility Administrative Agent or any ABL Facility Secured Party, without incurring any liabilities to the ABL Facility Administrative Agent or any ABL Facility Secured Party and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the ABL Facility Administrative Agent or any ABL Facility Secured Party is affected, impaired or extinguished thereby) do any one or more of the following:

(1) make loans and advances to, or purchase securities issued by, any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(2) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Notes Obligations or any Lien on any Notes Priority Lien Collateral or guaranty thereof or any liability of any of any Borrower or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Notes Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens on the Notes Priority Lien Collateral held by any Notes Security Agent or any of the Notes Secured Parties, the Notes Obligations or any of the Notes Documents;

(3) sell, exchange, realize upon, enforce or otherwise deal with in any manner (subject to the terms hereof) and in any order any part of the Notes Priority Lien Collateral or any liability of any Borrower or any other Grantor to the Notes Secured Parties or any Notes Security Agent, or any liability incurred directly or indirectly in respect thereof;

(4) settle or compromise any Notes Obligation or any other liability of any Borrower or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof; and

(5) exercise or delay in or refrain from exercising any right or remedy against any Borrower or any other Grantor or any other Person, elect any remedy and otherwise deal freely with any Borrower, any other Grantor or any Notes Priority Lien Collateral and any security and any guarantor or any liability of any Borrower or any other Grantor to the Notes Secured Parties or any liability incurred directly or indirectly in respect thereof.

(iii) The ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, also agrees that the Notes Secured Parties and the Notes Security Agents shall have no liability to the ABL Facility Administrative Agent or any ABL Facility Secured Party, and the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, hereby waives any claim against any Notes Secured Party or any Notes Security Agent, arising out of any and all actions which the Notes Secured Parties or any Notes Security Agent may take or permit or omit to take with respect to:

(1) the Notes Documents (other than this Agreement);

(2) the collection of the Notes Obligations; or

(3) the foreclosure upon, or sale, liquidation or other disposition of, any Notes Priority Lien Collateral.

Except as otherwise required by this Agreement, the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, and each other ABL Facility Secured Party (by its acceptance of the benefit of the ABL Facility Documents), agrees that the Notes Secured Parties and the Notes Security Agents have no duty to the ABL Facility Administrative Agent or the ABL Facility Secured Parties in respect of the maintenance or preservation of the Notes Priority Lien Collateral, the Notes Obligations or otherwise.

(iv) The ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, and each other ABL Facility Secured Party (by its acceptance of the benefit of the ABL Facility Documents), agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Notes Priority Lien Collateral or any other similar rights a junior secured creditor may have under applicable law.

(d) *Obligations Unconditional*. All rights, interests, agreements and obligations of the Notes Security Agents and the Notes Secured Parties and the ABL Facility Administrative Agent and the ABL Facility Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any Notes Document or any ABL Facility Document;

(ii) except as otherwise set forth in this Agreement, any change permitted hereunder in the time, manner or place of payment of, or in any other terms of, all or any of the Notes Obligations or ABL Facility Obligations, or any amendment or waiver or other modification permitted hereunder, whether by course of conduct or otherwise, of the terms of any Notes Document or any ABL Facility Document;

(iii) except as otherwise set forth in this Agreement, any exchange of any security interest in any Notes Priority Lien Collateral or any amendment, waiver or other modification permitted hereunder, whether in writing or by course of conduct or otherwise, of all or any of the Notes Obligations or ABL Facility Obligations;

(iv) the commencement of any Insolvency or Liquidation Proceeding in respect of any Borrower or any other Grantor; or

(v) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Borrower or any other Grantor in respect of the Notes Obligations, or of the ABL Facility Administrative Agent or any ABL Facility Secured Party in respect of this Agreement.

Section 3. ABL Facility Priority Lien Collateral.

3.1. Lien Priorities.

(a) *Relative Priorities*. Notwithstanding (i) the time, manner, order or method of grant, creation, attachment or perfection of any Liens securing the Notes Obligations granted on the ABL Facility Priority Lien Collateral or of any Liens securing the ABL Facility Obligations granted on the ABL Facility Priority Lien Collateral, (ii) the validity or enforceability of the security interests and Liens granted in favor of any Security Agent or any Secured Party on the ABL Facility Priority Lien Collateral, (iii) the date on which any ABL Facility Obligations or Notes Obligations are made, extended or issued, (iv) any provision of the UCC or any other applicable law, including any rule for determining priority thereunder or under any other law or rule governing the relative priorities of secured creditors, including with respect to real property or fixtures, (v) any provision set forth in any ABL Facility Document or any Notes Document (other than this Agreement), (vi) the possession or control by any Security Agent or any Secured Party or any bailee of all or any part of any ABL Facility Priority Lien Collateral as of the date hereof or otherwise, (vii) any failure by any ABL Facility Secured Party to perfect its security interests in the ABL Facility Priority Lien Collateral or (viii) any other circumstance whatsoever, each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, hereby agrees that:

(i) any Lien on the ABL Facility Priority Lien Collateral securing any ABL Facility Obligations now or hereafter held by or on behalf of the ABL Facility Administrative Agent or any ABL Facility Secured Party or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien on the ABL Facility Priority Lien Collateral securing any of the Notes Obligations; and

(ii) any Lien on the ABL Facility Priority Lien Collateral now or hereafter held by or on behalf of any Notes Security Agent or any Notes Secured Party or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the ABL Facility Priority Lien Collateral securing any ABL Facility Obligations.

All Liens on the ABL Facility Priority Lien Collateral securing any ABL Facility Obligations shall be and

remain senior in all respects and prior to all Liens on the ABL Facility Priority Lien Collateral securing any Notes Obligations for all purposes, whether or not such Liens securing any ABL Facility Obligations are subordinated to any Lien securing any other obligation of any Borrower, any other Grantor or any other Person (but only to the extent that such subordination is not prohibited pursuant to Section 3.5). The parties hereto acknowledge and agree that it is their intent that the Notes Obligations (and the security therefor) constitute a separate and distinct class (and separate and distinct claims) from the ABL Facility Obligations (and the security therefor). This Section 3.1(a) is intended to govern the relationship between the classes of claims held by the ABL Facility Secured Parties, on the one hand, and a collective class of claims comprised of each series of claims of the Notes Secured Parties (as opposed to separate classes of each such series of claims), on the other hand, and, for the avoidance of doubt, nothing set forth herein shall in any way alter or modify the relationship of each series of such separate claims held by the holders of the Notes Obligations, including as set forth in the First Lien/Second Lien Intercreditor Agreement if in effect, or otherwise cause such different claims to be combined into one or more classes or otherwise classified in a manner that violates the First Lien/Second Lien Intercreditor Agreement if in effect.

(b) *Prohibition on Contesting Liens*. Each Notes Security Agent, for itself and on behalf of each Notes Secured Party that it represents, and the ABL Facility Administrative Agent, for itself and on behalf of each ABL Facility Secured Party, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the priority, validity, extent, perfection or enforceability of a Lien held by or on behalf of any of the ABL Facility Secured Parties in the ABL Facility Priority Lien Collateral or by or on behalf of any of the Notes Secured Parties in the Notes Priority Lien Collateral, as the case may be, (ii) the validity or enforceability of any Notes Security Document (or any Notes Obligations thereunder) or any ABL Facility Security Document (or any ABL Facility Obligations thereunder) or (iii) the relative rights and duties of the holders of the ABL Facility Obligations and the Notes Obligations granted and/or established in this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Security Agents or any Secured Party to enforce this Agreement, including the priority of the Liens on the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations and the Notes Obligations as provided in Sections 3.1(a) and 3.2(a).

(c) *No New Liens*. So long as the Discharge of ABL Facility Obligations has not occurred, except as contemplated by Section 3.5(c) or in the final sentence of the definition of "Collateral", the parties hereto agree that no Borrower nor any other Grantor shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Notes Obligation unless it has granted or contemporaneously grants (or, solely with respect to any real property, offers to grant) (i) a First Priority Lien on such asset or property to secure the ABL Facility Obligations if such asset or property constitutes ABL Facility Priority Lien Collateral or (ii) a Second Priority Lien on such asset or property to secure the ABL Facility Obligations if such asset or property constitutes Notes Priority Lien Collateral. To the extent that the provisions of clause (i) in the immediately preceding sentence are not complied with for any reason, without limiting any other rights and remedies available to the ABL Facility Administrative Agent and/or the ABL Facility Secured Parties, each Notes Security Agent, on behalf of Notes Secured Parties that it represents, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens on the ABL Facility Priority Lien Collateral granted in contravention of such clause (i) of this Section 3.1(c) shall be subject to Section 3.3.

(d) *Effectiveness of Lien Priorities*. Each of the parties hereto acknowledges that the Lien priorities provided for in this Agreement shall not be affected or impaired in any manner whatsoever, including, without limitation, on account of: (i) the invalidity, irregularity or unenforceability of all or any part of the ABL Facility Documents or the Notes Documents; (ii) any amendment, change or modification of any ABL Facility Documents or Notes Documents not in contravention of the terms of this Agreement; or (iii) any impairment, modification, change, exchange, release or subordination of or limitation on, any

liability of, or stay of actions or lien enforcement proceedings against, any Borrower or any of its Subsidiaries party to any of the ABL Facility Documents or Notes Documents, its property, or its estate in bankruptcy resulting from any bankruptcy, arrangement, readjustment, composition, liquidation, rehabilitation, similar proceeding or otherwise involving or affecting any Secured Party.

3.2. Exercise of Remedies.

(a) So long as the Discharge of ABL Facility Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor:

(i) no Notes Security Agent nor any of the Notes Secured Parties (x) will exercise or seek to exercise any rights or remedies (including, without limitation, setoff) with respect to any ABL Facility Priority Lien Collateral (including, without limitation, the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of ABL Facility Priority Lien Collateral to which any Notes Security Agent or any Notes Secured Party is a party) or institute or commence, or join with any Person (other than the ABL Facility Administrative Agent and the ABL Facility Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure), enforcement, collection or execution; *provided*, *however*, that the Controlling Security Agent may exercise any or all such rights in accordance with the Notes Documents after the passage of a period of 180 days from the date of delivery of a notice in writing to the ABL Facility Administrative Agent of the Controlling Security Agent's intention to exercise its right to take such actions (the "Notes Standstill Period"); *provided*, *further*, *however*, notwithstanding anything herein to the contrary, neither the Controlling Security Agent nor any Notes Secured Party will exercise any rights or remedies with respect to any ABL Facility Priority Lien Collateral if, notwithstanding the expiration of the Notes Standstill Period, the ABL Facility Administrative Agent or ABL Facility Secured Parties shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to a material portion of the ABL Facility Priority Lien Collateral (prompt notice of such exercise to be given to the Controlling Security Agent, it being understood and agreed that any failure to provide such notice shall not impair any of the ABL Facility Administrative Agent's or the ABL Facility Secured Parties' rights hereunder), (y) will contest, protest or object to any foreclosure proceeding or action brought by the ABL Facility Administrative Agent or any ABL Facility Secured Party with respect to, or any other exercise by the ABL Facility Administrative Agent or any ABL Facility Secured Party of any rights and remedies relating to, the ABL Facility Priority Lien Collateral under the ABL Facility Documents or otherwise, and (z) subject to its rights under clause (i)(x) above, will object to the forbearance by the ABL Facility Administrative Agent or the ABL Facility Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the ABL Facility Priority Lien Collateral, in each case so long as the respective interests of the Notes Secured Parties attach to the Proceeds thereof subject to the relative priorities described in Section 3.1; *provided*, *however*, that nothing in this Section 3.2(a) shall be construed to authorize any Notes Security Agent or any Notes Secured Party to sell any ABL Facility Priority Lien Collateral free of the Lien of the ABL Facility Administrative Agent or any ABL Facility Secured Party; and

(ii) subject to clause (i)(x) above, the ABL Facility Administrative Agent and the ABL Facility Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including set off and the right to credit bid their debt) and make determinations regarding the disposition of, or restrictions with respect to, the ABL Facility Priority Lien Collateral without any consultation with or the consent of any Notes Security Agent or any Notes Secured Party; *provided*,

that:

(1) in any Insolvency or Liquidation Proceeding commenced by or against any Borrower or any other Grantor, any Notes Security Agent and any Notes Secured Party may file a claim or statement of interest with respect to the ABL Facility Obligations;

(2) any Notes Security Agent and any Notes Secured Party may take any action (not adverse to the priority status of the Liens on the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations, or the rights of any ABL Facility Administrative Agent or the ABL Facility Secured Parties to exercise remedies in respect thereof) reasonably necessary in order to preserve or protect its Lien on the ABL Facility Priority Lien Collateral;

(3) the Notes Secured Parties shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Notes Secured Parties, including without limitation any claims secured by the ABL Facility Priority Lien Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) the Notes Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement and to the extent not prohibited by any other provision of this Agreement;

(5) the Notes Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the ABL Facility Priority Lien Collateral; and

(6) the Controlling Security Agent or any Notes Secured Party may exercise any of its rights or remedies with respect to the ABL Facility Priority Lien Collateral in accordance with the Notes Documents after the termination of the Notes Standstill Period to the extent permitted by clause (i)(x) above.

Subject to clause (i)(x) above, in exercising rights and remedies with respect to the ABL Facility Priority Lien Collateral, the ABL Facility Administrative Agent and the ABL Facility Secured Parties may enforce the provisions of the ABL Facility Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of ABL Facility Priority Lien Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under any other applicable law.

(b) Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, agrees that it will not take or receive any ABL Facility Priority Lien Collateral or any Proceeds of ABL Facility Priority Lien Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any ABL Facility Priority Lien Collateral unless and until the Discharge of ABL Facility Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 3.2(a) or in clause (6) of the proviso in clause (ii) of Section 3.2(a). Without limiting the generality of the foregoing, unless and until the Discharge of ABL Facility Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 3.2(a) or in the proviso in clause (ii) of Section 3.2(a), the sole right of the Notes Security Agents and the Notes Secured Parties with respect to the ABL Facility

Priority Lien Collateral is to hold a Lien on the ABL Facility Priority Lien Collateral pursuant to the Notes Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Facility Obligations has occurred in accordance with the terms hereof, the Notes Documents and applicable law.

(c) Subject to the first proviso in clause (i)(x) of Section 3.2(a) and subject to clause (6) of the proviso in clause (ii) of Section 3.2(a):

(i) each Notes Security Agent, for itself and on behalf of the Notes Secured Parties that it represents, agrees that such Notes Security Agent and such Notes Secured Parties will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the ABL Facility Documents with respect to the ABL Facility Priority Lien Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the ABL Facility Priority Lien Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or ABL Facility Security Document with respect to the ABL Facility Priority Lien Collateral or subordinate the priority of the ABL Facility Obligations to the Notes Obligations with respect to the ABL Facility Priority Lien Collateral or grant the Liens with respect to the ABL Facility Priority Lien Collateral securing the Notes Obligations equal ranking to the Liens with respect to the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations, and

(ii) each Notes Security Agent, for itself and on behalf of the Notes Secured Parties that it represents, hereby waives any and all rights it or such Notes Secured Parties may have as a junior lien creditor with respect to the ABL Facility Priority Lien Collateral or otherwise to object to the manner in which the ABL Facility Administrative Agent or the ABL Facility Secured Parties seek to enforce or collect the ABL Facility Obligations or the Liens granted in any of the ABL Facility Priority Lien Collateral, in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the ABL Facility Administrative Agent or ABL Facility Secured Parties is adverse to the interest of the Notes Secured Parties.

(d) Each Notes Security Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Notes Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the ABL Facility Administrative Agent or the ABL Facility Secured Parties with respect to the ABL Facility Priority Lien Collateral as set forth in this Agreement and the ABL Facility Documents.

3.3. Payments Over. So long as the Discharge of ABL Facility Obligations has not occurred, any ABL Facility Priority Lien Collateral, Cash Proceeds thereof or non-cash Proceeds constituting ABL Facility Priority Lien Collateral (or any distribution in respect of the ABL Facility Priority Lien Collateral, whether or not expressly characterized as such) received by any Notes Security Agent or any Notes Secured Party in connection with the exercise of any right or remedy (including set off) relating to the ABL Facility Priority Lien Collateral or otherwise that is inconsistent with this Agreement shall be segregated and held in trust and forthwith paid over to the ABL Facility Administrative Agent, for the benefit of the ABL Facility Secured Parties, for application in accordance with Section 5.2 below, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The ABL Facility Administrative Agent is hereby authorized to make any such endorsements as agent for any such Notes Security Agent or any such Notes Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Facility Obligations.

3.4. Other Agreements.

(a) *Releases*.

(i) If, in connection with:

(1) the exercise of any ABL Facility Administrative Agent's remedies in respect of the ABL Facility Priority Lien Collateral provided for in any ABL Facility Document, including any sale, lease, exchange, transfer or other disposition of any such ABL Facility Priority Lien Collateral;

(2) any sale, lease, exchange, transfer or other disposition of any ABL Facility Priority Lien Collateral permitted under the terms of the ABL Facility Documents and the Notes Documents (other than in connection with the Discharge of ABL Facility Obligations); or

(3) any sale, lease, exchange, transfer or other disposition of any ABL Facility Priority Lien Collateral by any Grantor after an Event of Default (as defined in the ABL Facility Documents) with the consent of ABL Facility Administrative Agent,

the ABL Facility Administrative Agent, for itself or on behalf of any of the ABL Facility Secured Parties, releases any of its Liens on any part of the ABL Facility Priority Lien Collateral, then the Liens, if any, of each Notes Security Agent, for itself or for the benefit of the Notes Secured Parties that it represents, on such ABL Facility Priority Lien Collateral (but not the Proceeds thereof, which shall be subject to the priorities set forth in this Agreement) shall be automatically, unconditionally and simultaneously released and each Notes Security Agent, for itself or on behalf of any such Notes Secured Parties that it represents, promptly shall execute and deliver to the ABL Facility Administrative Agent or such Grantor such termination statements, releases and other documents as the ABL Facility Administrative Agent or such Grantor may request to effectively confirm such release.

(ii) Until the Discharge of ABL Facility Obligations occurs, each Notes Security Agent, for itself and on behalf of the Notes Secured Parties that it represents, hereby irrevocably constitutes and appoints the ABL Facility Administrative Agent and any officer or agent of the ABL Facility Administrative Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of such Notes Security Agent or such holder or in the ABL Facility Administrative Agent's own name, from time to time in the ABL Facility Administrative Agent's discretion, for the purpose of carrying out the terms of this Section 3.4(a) with respect to ABL Facility Priority Lien Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 3.4(a) with respect to ABL Facility Priority Lien Collateral, including any endorsements or other instruments of transfer or release.

(iii) Until the Discharge of ABL Facility Obligations occurs, to the extent that the ABL Facility Secured Parties (a) have released any Lien on ABL Facility Priority Lien Collateral and any such Lien is later reinstated or (b) obtain any new First Priority Liens on assets constituting ABL Facility Priority Lien Collateral from Grantors, then the Notes Secured Parties shall be granted a Second Priority Lien on any such ABL Facility Priority Lien Collateral in accordance with Sections 2.1(c) and 2.1(e).

(iv) If, prior to the Discharge of ABL Facility Obligations, a subordination of the ABL Facility Administrative Agent's Lien on any ABL Facility Priority Lien Collateral is permitted under the Financing Agreements to another Lien permitted under the Financing Agreements (an "ABL Facility Collateral Priority Lien"), then the ABL Facility Administrative Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance reasonably satisfactory to it, and each Notes Security Agent, for itself and on behalf of the Notes Secured Parties that it represents, shall promptly execute and deliver to the ABL Facility

Administrative Agent an identical subordination agreement subordinating the Liens of each Notes Security Agent for the benefit of (and behalf of) the Notes Secured Parties that it represents to such ABL Facility Collateral Priority Lien.

(b) *Insurance*. Unless and until the Discharge of ABL Facility Obligations has occurred, the ABL Facility Administrative Agent and the ABL Facility Secured Parties shall have the sole and exclusive right, subject to the rights of the Grantors under the ABL Facility Documents, to adjust settlement for any Insurance policy covering the ABL Facility Priority Lien Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the ABL Facility Priority Lien Collateral; *provided* that, if any Insurance claim includes both ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral, the insurer will not settle such claim separately with respect to ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral, and if the ABL Facility Administrative Agent and the Controlling Security Agent are unable after negotiating in good faith to agree on the settlement for such claim, the ABL Facility Administrative Agent and the Controlling Security Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the parties. If any Notes Security Agent or any Notes Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this Section 3.4(b), it shall pay such Proceeds over to the ABL Facility Administrative Agent in accordance with the terms of Section 5.1(c).

(c) *Amendments to, and Refinancing of, Notes Documents*.

(i) Subject to the ABL Facility Credit Agreement (as in effect on the Effective Date), the Notes Documents may be amended, restated, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the Notes Documents may be Refinanced, in each case, without notice to, or the consent of, the ABL Facility Administrative Agent or the other ABL Facility Secured Parties (but subject to the requirements of the immediately following sentence and of Section 2.4(f) above), all without affecting the lien subordination or other provisions of this Agreement. Each of the First Lien Notes Documents and the Second Lien Notes Documents may be Refinanced to the extent the terms and conditions of such Refinancing Indebtedness meet the requirements of each Financing Agreement (as in effect on the Effective Date) and the holders of such Refinancing Indebtedness bind themselves in a writing addressed to the ABL Facility Administrative Agent and the ABL Facility Secured Parties to the terms of this Agreement; *provided* that, if such Refinancing Indebtedness is secured by a Lien on any Collateral, the holders of such Refinancing Indebtedness shall be deemed bound by the terms hereof regardless of whether or not any such writing is provided.

(ii) The Grantors agree that each Notes Security Document shall include the following language (with any necessary modifications to give effect to applicable definitions) (or language to similar effect approved by the ABL Facility Administrative Agent):

> "Notwithstanding anything herein to the contrary, the priority of the liens and security interests granted to the [First Lien Notes Security Trustee] [Second Lien Notes Security Trustee] pursuant to this Agreement in any ABL Facility Priority Lien Collateral (as defined in the Intercreditor Agreement described below) and the exercise of any right or remedy by the [First Lien Notes Security Trustee] [Second Lien Notes Security Trustee] or any other Notes Security Agent (as defined in the Intercreditor Agreement) with respect to any ABL Facility Priority Lien Collateral hereunder are subject to the provisions of the Intercreditor Agreement, dated as of May 7, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among Anagram

Holdings, LLC, a Delaware limited liability company, Anagram International, Inc., a Minnesota corporation, the other Grantors from time to time party thereto, Wells Fargo Bank, National Association, as ABL Facility Administrative Agent, Ankura Trust Company, LLC, as First Lien Notes Security Trustee, Ankura Trust Company, LLC, as Second Lien Notes Security Trustee, and certain other Persons party or that may become party thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement with respect to the priority of any security interests or the exercise of any rights or remedies shall govern and control."

(iii) [Reserved]

(iv) The ABL Facility Administrative Agent shall endeavor to give prompt notice of any amendment, waiver or consent of an ABL Facility Document to each Notes Security Agent after the effective date of such amendment, waiver or consent; *provided*, that the failure of the ABL Facility Administrative Agent to give any such notice shall not affect the priority of the ABL Facility Administrative Agent's Liens as provided herein or the validity or effectiveness of any such notice as against the Grantors or any of their Subsidiaries.

(d) *Rights as Unsecured Creditors*. Except as otherwise set forth in this Agreement, each Notes Security Agent and the Notes Secured Parties may exercise rights and remedies as unsecured creditors against any Borrower or any other Grantor in accordance with the terms of the Notes Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing in this Agreement shall prohibit the receipt by any Notes Security Agent or any Notes Secured Party of the required payments of interest, principal and other amounts in respect of the Notes Obligations so long as such receipt is not the direct or indirect result of the exercise by any Notes Security Agent or any Notes Secured Party of rights or remedies as a secured creditor (including set off) in respect of the ABL Facility Priority Lien Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien held by any of them. In the event any Notes Security Agent or any other Notes Secured Party becomes a judgment lien creditor in respect of any ABL Facility Priority Lien Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subordinated to the Liens securing ABL Facility Obligations on the same basis as the other Liens on the ABL Facility Priority Lien Collateral securing the Notes Obligations are so subordinated to such ABL Facility Obligations under this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the ABL Facility Administrative Agent or the other ABL Facility Secured Parties may have with respect to the ABL Facility Priority Lien Collateral.

(e) *Bailee for Perfection*.

(i) The ABL Facility Administrative Agent agrees to hold or control that part of the ABL Facility Priority Lien Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law (such ABL Facility Priority Lien Collateral being the "Pledged ABL Facility Priority Lien Collateral") as collateral agent for the ABL Facility Secured Parties and as bailee for and, with respect to any ABL Facility Priority Lien Collateral that cannot be perfected in such manner, as agent for, each Notes Security Agent (on behalf of the Notes Secured Parties that it represents) and any assignee thereof solely for the purpose of perfecting the security interest granted under the ABL Facility Documents and the Notes Documents, respectively, subject to the terms and conditions of this Section 3.4(e).

(ii) Subject to the terms of this Agreement, until the Discharge of ABL Facility

Obligations has occurred, the ABL Facility Administrative Agent shall be entitled to deal with the Pledged ABL Facility Priority Lien Collateral in accordance with the terms of the ABL Facility Documents as if the Liens of the Notes Security Agents under the Notes Security Documents did not exist. The rights of the Notes Security Agents shall at all times be subject to the terms of this Agreement and to the ABL Facility Administrative Agent's rights under the ABL Facility Documents.

(iii) The ABL Facility Administrative Agent shall have no obligation whatsoever to any ABL Facility Secured Party, any Notes Security Agent or any Notes Secured Party to ensure that the Pledged ABL Facility Priority Lien Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 3.4(e). The duties or responsibilities of the ABL Facility Administrative Agent under this Section 3.4(e) shall be limited solely to holding the Pledged ABL Facility Priority Lien Collateral as bailee or agent in accordance with this Section 3.4(e).

(iv) The ABL Facility Administrative Agent acting pursuant to this Section 3.4(e) shall not have by reason of the ABL Facility Security Documents, the Notes Security Documents, this Agreement or any other document a fiduciary relationship in respect of any ABL Facility Secured Party, any Notes Security Agent or any Notes Secured Party, and each of the foregoing hereby waives and releases the ABL Facility Administrative Agent from all claims and liabilities arising pursuant to the ABL Facility Administrative Agent's role under this Section 3.4(e) as gratuitous bailee and agent with respect to the Pledged ABL Facility Priority Lien Collateral.

(v) Upon the Discharge of ABL Facility Obligations, the ABL Facility Administrative Agent shall deliver or cause to be delivered the remaining Pledged ABL Facility Priority Lien Collateral (if any) in its possession or in the possession of its agents or bailees, together with any necessary endorsements, (I) first, to the Controlling Security Agent to the extent Notes Obligations remain outstanding and (II) second, to the applicable Grantor to the extent no ABL Facility Obligations or Notes Obligations remain outstanding and will cooperate with the Controlling Security Agent or such Grantor, as the case may be, in assigning (without recourse to or warranty by the ABL Facility Administrative Agent or any ABL Facility Secured Party or agent or bailee thereof) control over any other Pledged ABL Facility Priority Lien Collateral under its control. The ABL Facility Administrative Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors or such Person) in connection with such Person obtaining a first priority interest in the Pledged ABL Facility Priority Lien Collateral or as a court of competent jurisdiction may otherwise direct.

(vi) Notwithstanding anything to the contrary herein, if, for any reason, any Notes Obligations remain outstanding upon the Discharge of ABL Facility Obligations, all rights of the ABL Facility Administrative Agent hereunder and under the Notes Security Documents or the ABL Facility Security Documents (1) with respect to the delivery and control of any part of the ABL Facility Priority Lien Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such ABL Facility Priority Lien Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of either of any Notes Security Agent or the ABL Facility Administrative Agent, pass to the Controlling Security Agent, who shall thereafter hold such rights for the benefit of the Notes Secured Parties. Each of the ABL Facility Administrative Agent and the Grantors agrees that it will, if any Notes Obligations remain outstanding upon the Discharge of ABL Facility Obligations, take any other action required by any law or reasonably requested by the Controlling Security Agent (at the sole cost and expense of the Grantors), in connection with the Controlling Security Agent's establishment and perfection of a First Priority security interest in the ABL Facility Priority Lien Collateral.

(vii) Notwithstanding anything to the contrary contained herein, if for any reason, prior to the Discharge of Notes Obligations, the ABL Facility Administrative Agent acquires possession of any Pledged Notes Priority Lien Collateral, the ABL Facility Administrative Agent shall hold same as bailee and/or agent to the same extent as is provided in preceding clause (i) with respect to Pledged ABL Facility Priority Lien Collateral, *provided* that as soon as is practicable the ABL Facility Administrative Agent shall deliver or cause to be delivered such Pledged Notes Priority Lien Collateral to the Controlling Security Agent in a manner otherwise consistent with the requirements of preceding clause (v).

(f) *When Discharge of ABL Facility Obligations Deemed to Not Have Occurred*. Notwithstanding anything to the contrary herein, if concurrently with (or immediately after) the Discharge of ABL Facility Obligations, any Borrower and/or any other Grantor enters into any Permitted Refinancing of any ABL Facility Obligations, then such Discharge of ABL Facility Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the Permitted Refinancing shall automatically be treated as ABL Facility Obligations (together with the ABL Facility Bank Product Agreements and ABL Facility Secured Hedging Agreements on the basis provided in the definition of "ABL Facility Documents" contained herein) for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "ABL Facility Credit Agreement" shall be deemed appropriately modified to refer to such Permitted Refinancing and the ABL Facility Administrative Agent under such ABL Facility Documents shall be an ABL Facility Administrative Agent for all purposes hereof and the new secured parties under such ABL Facility Documents (together with the ABL Facility Bank Product Creditors and ABL Facility Secured Hedging Creditors as provided herein) shall automatically be treated as ABL Facility Secured Parties for all purposes of this Agreement. Upon receipt of a notice stating that any Borrower and/or any other Grantor has entered into a new ABL Facility Document in respect of a Permitted Refinancing of ABL Facility Obligations (which notice shall include the identity of the new agent with respect to such Refinancing Indebtedness, such agent, the "New ABL Facility Administrative Agent"), and delivery by the New ABL Facility Administrative Agent of an Intercreditor Agreement Joinder to each other Security Agent hereunder, each Notes Security Agent shall promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as any Grantor or such New ABL Facility Administrative Agent shall reasonably request in order to provide to the New ABL Facility Administrative Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) deliver to the New ABL Facility Administrative Agent any Pledged ABL Facility Priority Lien Collateral held by such Notes Security Agent together with any necessary endorsements (or otherwise allow the New ABL Facility Administrative Agent to obtain control of such Pledged ABL Facility Priority Lien Collateral). The New ABL Facility Administrative Agent shall agree to be bound by the terms of this Agreement. If the new ABL Facility Obligations under the new ABL Facility Documents are secured by assets of the Grantors of the type constituting ABL Facility Priority Lien Collateral that do not also secure the Notes Obligations, then the Notes Obligations shall be secured at such time by a Second Priority Lien on such assets to the same extent provided in the Notes Security Documents with respect to the other ABL Facility Priority Lien Collateral in accordance with Sections 2.1(c) and 2.1(e). If the new ABL Facility Obligations under the new ABL Facility Documents are secured by assets of the Grantors of the type constituting Notes Priority Lien Collateral that do not also secure the Notes Obligations, then the Notes Obligations shall be secured at such time by a First Priority Lien on such assets to the same extent provided in the Notes Security Documents with respect to the other Notes Priority Lien Collateral in accordance with Sections 2.1(c) and 2.1(e).

(g) *Option to Purchase ABL Facility Obligations*.

(i) Without prejudice to the enforcement of remedies by the ABL Facility Administrative Agent and the ABL Facility Secured Parties, any Person or Persons (in each case

who must meet all eligibility standards contained in all relevant ABL Facility Documents) at any time or from time to time designated by (i) the holders of more than 50% in aggregate outstanding principal amount of the First Lien Notes Obligations under the First Lien Notes Indenture or (ii) solely after the Discharge of First Lien Notes Obligations, holders of more than 50% in aggregate outstanding principal amount of the Second Lien Notes Obligations under the Second Lien Notes Indenture (an "Eligible Notes Purchaser") shall have the right to purchase by way of assignment (and shall thereby also assume all commitments and duties of the ABL Facility Secured Parties other than in respect of services giving rise to ABL Facility Bank Product Obligations), at any time in accordance with clause (v) below of this Section 3.4(g), all, but not less than all, of the ABL Facility Obligations (other than the ABL Facility Obligations of a Defaulting ABL Facility Secured Party) (together with, if clause (vi) below of this Section 3.4(g) is applicable, all, but not less than all, of the obligations under any ABL Facility DIP Financing), including all principal of and accrued and unpaid interest and fees on and all prepayment or acceleration penalties and premiums in respect of all ABL Facility Obligations (and, if clause (vi) below of this Section 3.4(g) is applicable, all of the foregoing in respect of any ABL Facility DIP Financing) outstanding at the time of purchase. Any purchase pursuant to this Section 3.4(g)(i) shall be made as follows:

(1) for (x) a purchase price equal to the sum of (A) in the case of all loans, advances or other similar extensions of credit that constitute ABL Facility Obligations (including unreimbursed amounts drawn in respect of letters of credit, but excluding the undrawn amount of then outstanding letters of credit and excluding ABL Facility Bank Product Obligations), 100% of the principal amount thereof and all accrued and unpaid interest thereon through the date of purchase (without regard, however, to any acceleration or other prepayment penalties or premiums other than customary breakage costs), (B) in the case of any ABL Facility Bank Product Obligations, the aggregate amount then owing to each ABL Facility Bank Product Creditor (which is an ABL Facility Secured Party) thereunder pursuant to the terms of the respective ABL Facility Bank Product Agreement, including, without limitation, all amounts owing to such ABL Facility Bank Product Creditor as a result of the termination (or early termination) thereof (in each case, to the extent of its interest as an ABL Facility Secured Party), (C) in the case of the undrawn amount of then outstanding letters of credit, cash collateral in the amount of 105% of the aggregate undrawn amount of such letters of credit and (D) all outstanding and unpaid fees, expenses, indemnities and other amounts (other than any prepayment penalties or premiums or similar fees) through the date of purchase; and (y) an obligation on the part of the respective Eligible Notes Purchasers (which shall be expressly provided in the assignment documentation described below) to reimburse each issuing lender (or any ABL Facility Secured Party required to pay the same) for all amounts thereafter drawn with respect to any letters of credit constituting ABL Facility Obligations which remain outstanding after the date of any purchase pursuant to this Section 3.4(g), together with all facing fees and other amounts which may at any future time be owing to the respective issuing lender with respect to such letters of credit; it being understood and agreed that (I) if at any time those amounts (if any) then on deposit with the ABL Facility Administrative Agent as described in clause (C) above exceed 105% of the sum of the aggregate undrawn amount of all then outstanding letters of credit, such excess shall be returned to the respective Eligible Notes Purchaser or Eligible Notes Purchasers (as their interests appear), and (II) at such time as all letters of credit have been cancelled, expired or been fully drawn, as the case may be, any excess cash collateral deposited as described above in clause (C) (and not previously applied or released as provided above) shall be returned to the respective Eligible Notes Purchaser or Eligible Notes Purchasers (as their interests appear);

(2) with the purchase price described in preceding clause (i)(1)(x) payable in cash on the date of purchase against transfer to the respective Eligible Notes Purchaser or Eligible Notes

Purchasers without recourse and without any representations or warranties whatsoever, except the representations and warranties (1) that the transferor owns free and clear of all Liens and encumbrances, has the right to convey, whatever claims and interests it may have in respect of the ABL Facility Obligations and the assignment is duly authorized and (2) as to the amount of its portion of the ABL Facility Obligations being acquired; *provided* that the purchase price in respect of any outstanding letter of credit that remains undrawn on the date of purchase shall be payable in cash as and when such letter of credit is drawn upon (i) first, from the cash collateral account described in clause (i)(1)(x)(C) above, until the amounts contained therein have been exhausted, and (ii) thereafter, directly by the respective Eligible Notes Purchaser or Eligible Notes Purchasers;

(3) with all amounts payable to the various ABL Facility Secured Parties in respect of the assignments described above to be distributed to them by the ABL Facility Administrative Agent in accordance with their respective holdings of the various ABL Facility Obligations; and

(4) with such purchase to be made pursuant to assignment documentation in form and substance reasonably satisfactory to the ABL Facility Administrative Agent (with the cost of such documentation to be paid by the Grantors or, if the Grantors do not make such payment, by the respective Eligible Notes Purchaser or Eligible Notes Purchasers, who shall have the right to obtain reimbursement of same from the Grantors); it being understood and agreed that the ABL Facility Administrative Agent and each other ABL Facility Secured Party shall retain all rights to indemnification as provided in the relevant ABL Facility Documents for all periods prior to any assignment by them pursuant to the provisions of this Section 3.4(g).

(ii) The right to exercise the purchase option described in Section 3.4(g)(i) above shall be exercisable and legally enforceable upon at least five (5) Business Days' prior written notice of exercise (which notice, once given, (A) shall be irrevocable and fully binding on the respective Eligible Notes Purchaser or Eligible Notes Purchasers and (B) shall specify a date of purchase not less than five (5) Business Days, nor more than thirty (30) calendar days, after the date of the receipt by the ABL Facility Administrative Agent of such notice) given to the ABL Facility Administrative Agent by an Eligible Notes Purchaser.

(iii) The obligations of the ABL Facility Secured Parties to sell their respective ABL Facility Obligations under this Section 3.4(g) are several and not joint and several. To the extent any ABL Facility Secured Party breaches its obligation to sell its ABL Facility Obligations under this Section 3.4(g) (a "Defaulting ABL Facility Secured Party"), nothing in this Section 3.4(g) shall be deemed to require the ABL Facility Administrative Agent or any other ABL Facility Secured Party to purchase such Defaulting ABL Facility Secured Party's ABL Facility Obligations for resale to any Eligible Notes Purchaser and in all cases, the ABL Facility Administrative Agent and each ABL Facility Secured Party complying with the terms of this Section 3.4(g) shall not be deemed to be in default of this Agreement or otherwise be deemed liable for any action or inaction of any Defaulting ABL Facility Secured Party; *provided* that nothing in this clause (iii) shall require any Eligible Notes Purchaser to offer to purchase less than all of the ABL Facility Obligations.

(iv) Each Grantor irrevocably consents to any assignment effected to one or more Eligible Notes Purchasers pursuant to this Section 3.4(g) (other than obtaining the consent of any Grantor to an assignment to the extent required by such ABL Facility Documents) and hereby agrees that no further consent to any such assignment pursuant to this Section 3.4(g) from such Grantor shall be required.

(v) The right to purchase the ABL Facility Obligations as described in this Section

3.4(g) may be exercised (by giving the irrevocable written notice described in clause (ii) of this Section 3.4(g)) at any time after the occurrence of the earlier of any of the following (so long as any of the circumstances described in the following clauses continue to exist at the time of such notice is delivered): (u) the date of the acceleration of the final maturity of the loans or other obligations under the ABL Facility Credit Agreement, (v) the occurrence of the final maturity of the loans or other obligations under the ABL Facility Credit Agreement, (w) the occurrence of an Insolvency or Liquidation Proceeding with respect to any Borrower or any other Grantor, (x) the date on which any other Event of Default under and as defined in the ABL Facility Credit Agreement has occurred as the result of the failure of any Borrower or any other Grantor to pay when due any ABL Facility Obligations and has not been cured within three (3) Business Days of any such event, (y) the date on which any other Event of Default under and as defined in the ABL Facility Credit Agreement has occurred and has not been cured within sixty (60) days of any such event, and (z) the date on which the ABL Facility Administrative Agent exercises or seeks to exercise any rights or remedies in connection with an Event of Default under and as defined in the ABL Facility Credit Agreement to enforce, collect or realize on (or take similar actions with respect to) any Collateral (excluding (A) the application of cash collateral in connection with drawings under letters of credit or similar instruments constituting ABL Facility Obligations and (B) any exercise of rights solely in connection with a Cash Dominion Event during a Cash Dominion Period continuing for less than sixty (60) days, as each such term is defined in the ABL Facility Pledge and Security Agreement, as in effect on the Effective Date) or institute or commence, or join with any Person in commencing any action or proceeding with respect to such rights or remedies to enforce, collect or realize on (or take similar actions, including any action of foreclosure, with respect to) any Collateral in connection with an Event of Default under and as defined in the ABL Facility Credit Agreement.

(vi) In the event that (x) any ABL Facility DIP Financing has been provided and (y) one or more Eligible Notes Purchaser or Eligible Notes Purchasers exercise the option to purchase the ABL Facility Obligations in accordance with this Section 3.4(g), then substantially concurrently with the exercise of such option, the Eligible Notes Purchaser or Eligible Notes Purchasers shall, pursuant to the terms of this Section 3.4(g), as applicable, exercise the option to purchase at par all, but not less than all, of the obligations with respect to such ABL Facility DIP Financing as if all such obligations were deemed ABL Facility Obligations (it being understood that, in such event, such purchase of the ABL Facility Obligations and such purchase of the obligations with respect to such ABL Facility DIP Financing shall be consummated substantially concurrently with each other).

3.5. Insolvency or Liquidation Proceedings.

(a) *Finance and Sale Issues.* Until the Discharge of ABL Facility Obligations has occurred, if any Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Facility Administrative Agent shall desire to permit the use of cash collateral (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting ABL Facility Priority Lien Collateral or to permit any Borrower or any other Grantor to obtain financing, whether from the ABL Facility Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Laws, that is secured by a lien that is (i) senior or pari passu with the liens on the ABL Facility Priority Lien Collateral securing the ABL Facility Obligations, and (ii) junior to the liens on the Notes Priority Lien Collateral securing the Notes Obligations (each, an "ABL Facility DIP Financing"), then each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) and will be deemed to have consented to such use of cash collateral constituting ABL Facility Priority Lien Collateral or to the fact that the providers of such ABL Facility DIP Financing may be granted

Liens on the Collateral and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the ABL Facility Administrative Agent or to the extent permitted by Section 3.5(c)) and, each Notes Security Agent will subordinate its Liens in the ABL Facility Priority Lien Collateral to the Liens securing such ABL Facility DIP Financing (and all interest and other obligations relating thereto); *provided* that (i) each Notes Security Agent and the other Notes Secured Parties retain a Lien on the Collateral to secure the Notes Obligations and, with respect to the Notes Priority Lien Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (ii) to the extent that the ABL Facility Administrative Agent is granted adequate protection in the form of a Lien on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding, the Notes Security Agents are permitted to seek a Lien (without objection from ABL Facility Administrative Agent or any ABL Facility Secured Party) on such Collateral (so long as, with respect to ABL Facility Priority Lien Collateral, such Lien is junior to the Liens securing such ABL Facility DIP Financing and the ABL Facility Obligations), (iii) such ABL Facility DIP Financing does not require any asset sales or any structure of a plan of reorganization or milestones therefor (excluding any application of any cross-default to the Notes DIP Financing resulting from an event of default with respect to any requirements under the Notes DIP Financing regarding asset sales or structure of a plan of reorganization or milestones therefor) and (iv) the foregoing provisions of this Section 3.5(a) shall not prevent the Notes Security Agents and the Notes Secured Parties from objecting to any provision in any ABL Facility DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws. Each Notes Security Agent, on behalf of the Notes Secured Parties that it represents, agrees that it will not raise any objection or oppose (and be deemed to have consented to) a sale or other disposition of any ABL Facility Priority Lien Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Second Priority Lien on the ABL Facility Priority Lien Collateral in favor of the Notes Security Agents in the same order and manner as otherwise set forth herein) or other claims under Section 363 of the Bankruptcy Code or any comparable provision of any other Debtor Relief Law, except for any objection or opposition that could be asserted by any Notes Secured Party as an unsecured creditor in any such Insolvency or Liquidation Proceeding, if the Notes Secured Parties have consented to such sale or disposition of such assets; *provided* that the Notes Security Agents and the other Notes Secured Parties shall be entitled to seek and exercise Credit Bid Rights in respect of any such sale or disposition.

(b) *Relief from the Automatic Stay*. Until the Discharge of ABL Facility Obligations has occurred, each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Facility Priority Lien Collateral without the prior written consent of the ABL Facility Administrative Agent.

(c) *Adequate Protection*. Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, agrees that none of them shall contest (or support any other Person contesting) (i) any request by the ABL Facility Administrative Agent or the ABL Facility Secured Parties for adequate protection with respect to any ABL Facility Priority Lien Collateral, (ii) so long as the request of adequate protection is in the form of a replacement lien on the Notes Priority Lien Collateral that is junior to the liens on the Notes Priority Lien Collateral securing the Notes Obligations, any request by the ABL Facility Administrative Agent or the ABL Facility Secured Parties for adequate protection with respect to any Notes Priority Lien Collateral or (iii) any objection by the ABL Facility Administrative Agent or the ABL Facility Secured Parties to any motion, relief, action or proceeding based on the ABL Facility Administrative Agent or the ABL Facility Secured Parties claiming a lack of adequate protection with respect to the ABL Facility Priority Lien Collateral. Notwithstanding the foregoing provisions in this Section 3.5(c), in any Insolvency or Liquidation Proceeding, (A) if the ABL Facility Secured Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in the nature of assets constituting ABL Facility Priority Lien Collateral in connection with any ABL Facility DIP Financing or

use of cash collateral constituting ABL Facility Priority Lien Collateral, then each Notes Security Agent, on behalf of itself or any of the Notes Secured Parties that it represents, may seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the Liens securing the ABL Facility Obligations and such ABL Facility DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on ABL Facility Priority Lien Collateral securing the Notes Obligations are so subordinated to the ABL Facility Obligations under this Agreement, and (B) in the event any Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, seeks or requests adequate protection in respect of ABL Facility Priority Lien Collateral securing Notes Obligations and such adequate protection is granted in the form of additional collateral in the nature of assets constituting ABL Facility Priority Lien Collateral, then such Notes Security Agent, on behalf of itself or such Notes Secured Parties, agrees that the ABL Facility Administrative Agent shall also be granted a senior Lien on such additional collateral as security for the ABL Facility Obligations and for any such ABL Facility DIP Financing and that any Lien on such additional collateral securing the Notes Obligations shall be subordinated to the Liens on such collateral securing the ABL Facility Obligations and any such ABL Facility DIP Financing (and all obligations relating thereto) and to any other Liens granted to the ABL Facility Secured Parties as adequate protection on the same basis as the other Liens on ABL Facility Priority Lien Collateral securing the Notes Obligations are so subordinated to such ABL Facility Obligations under this Agreement.

(d) *No Waiver*. Nothing contained herein shall prohibit or in any way limit the ABL Facility Administrative Agent or any ABL Facility Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Notes Security Agent or any of the Notes Secured Parties in respect of the ABL Facility Priority Lien Collateral, including the seeking by any Notes Security Agent or any Notes Secured Party of adequate protection in respect thereof or the asserting by any Notes Security Agent or any Notes Secured Party of any of its rights and remedies under the Notes Documents or otherwise in respect thereof.

(e) *Reorganization Securities*. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of ABL Facility Obligations and on account of Notes Obligations, then, to the extent the debt obligations distributed on account of the ABL Facility Obligations and on account of the Notes Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(f) *Post-Petition Interest*.

(i) No Notes Security Agent nor any Notes Secured Party shall oppose or seek to challenge any claim by the ABL Facility Administrative Agent or any ABL Facility Secured Party for allowance in any Insolvency or Liquidation Proceeding of ABL Facility Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the ABL Facility Administrative Agent, on behalf of the ABL Facility Secured Parties, on the ABL Facility Priority Lien Collateral, without regard to the existence of the Lien of the Notes Security Agents on behalf of the Notes Secured Parties on the ABL Facility Priority Lien Collateral.

(ii) Neither the ABL Facility Administrative Agent nor any other ABL Facility Secured Party shall oppose or seek to challenge any claim by any Notes Security Agent or any Notes Secured Party for allowance in any Insolvency or Liquidation Proceeding of Notes Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the relevant Notes Security Agent, on behalf of the Notes Secured Parties that it represents, on the ABL Facility Priority Lien Collateral (after taking into account the Lien of the ABL Facility

Secured Parties on the ABL Facility Priority Lien Collateral).

(g) *Waiver*. Each Notes Security Agent, for itself and on behalf of the Notes Secured Parties that it represents, waives any claim it may hereafter have against any ABL Facility Secured Party arising out of the election of any ABL Facility Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with the ABL Facility Priority Lien Collateral in any Insolvency or Liquidation Proceeding.

3.6. Reliance; Waivers; Etc.

(a) *Reliance*. Other than any reliance on the terms of this Agreement, each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, acknowledges that it and such Notes Secured Parties have (and by their acceptance of the benefits hereof, each of the Notes Secured Parties acknowledge that they have), independently and without reliance on the ABL Facility Administrative Agent or any ABL Facility Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the applicable Notes Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the applicable Notes Financing Agreements or this Agreement.

(b) *No Warranties or Liability*. Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, acknowledges and agrees (and by their acceptance of the benefits hereof, each of the Notes Secured Parties acknowledge and agree) that the ABL Facility Administrative Agent and the ABL Facility Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the ABL Facility Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The ABL Facility Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under their respective ABL Facility Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The ABL Facility Administrative Agent and the ABL Facility Secured Parties shall have no duty to any Notes Security Agent or any of the Notes Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Borrower or any other Grantor (including the ABL Facility Documents and the Notes Documents), regardless of any knowledge thereof which they may have or be charged with.

(c) *No Waiver of Lien Priorities*.

(i) No right of the ABL Facility Secured Parties, the ABL Facility Administrative Agent or any of them to enforce any provision of this Agreement or any ABL Facility Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Borrower or any other Grantor or by any act or failure to act by any ABL Facility Secured Party or the ABL Facility Administrative Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the ABL Facility Documents or any of the Notes Documents, regardless of any knowledge thereof which the ABL Facility Administrative Agent or the ABL Facility Secured Parties, or any of them, may have or be otherwise charged with.

(ii) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of any Borrower and the other Grantors under the ABL Facility Documents and subject to the provisions of Section 3.4(c)), the ABL Facility Secured Parties, the ABL Facility Administrative Agent and any of them may, at any time and from time to time in accordance with

the ABL Facility Documents and/or applicable law, without the consent of, or notice to, any Notes Security Agent or any Notes Secured Party, without incurring any liabilities to any Notes Security Agent or any Notes Secured Party and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of any Notes Security Agent or any Notes Secured Party is affected, impaired or extinguished thereby) do any one or more of the following:

(1) make loans and advances to any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(2) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the ABL Facility Obligations or any Lien on any ABL Facility Priority Lien Collateral or guaranty thereof or any liability of any Borrower or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the ABL Facility Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens on the ABL Facility Priority Lien Collateral held by the ABL Facility Administrative Agent or any of the ABL Facility Secured Parties, the ABL Facility Obligations or any of the ABL Facility Documents;

(3) sell, exchange, realize upon, enforce or otherwise deal with in any manner (subject to the terms hereof) and in any order any part of the ABL Facility Priority Lien Collateral or any liability of any Borrower or any other Grantor to the ABL Facility Secured Parties or the ABL Facility Administrative Agent, or any liability incurred directly or indirectly in respect thereof;

(4) settle or compromise any ABL Facility Obligation or any other liability of any Borrower or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof; and

(5) exercise or delay in or refrain from exercising any right or remedy against any Borrower or any other Grantor or any other Person, elect any remedy and otherwise deal freely with any Borrower, any other Grantor or any ABL Facility Priority Lien Collateral and any security and any guarantor or any liability of any Borrower or any other Grantor to the ABL Facility Secured Parties or any liability incurred directly or indirectly in respect thereof.

(iii) Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, also agrees that the ABL Facility Secured Parties and the ABL Facility Administrative Agent shall have no liability to any Notes Security Agent or any Notes Secured Party, and each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, hereby waives any claim against any ABL Facility Secured Party or the ABL Facility Administrative Agent, arising out of any and all actions which the ABL Facility Secured Parties or the ABL Facility Administrative Agent may take or permit or omit to take with respect to:

(1) the ABL Facility Documents (other than this Agreement);

(2) the collection of the ABL Facility Obligations; or

(3) the foreclosure upon, or sale, liquidation or other disposition of, any ABL Facility

Priority Lien Collateral.

Except as otherwise required by this Agreement, each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, and each other Notes Secured Party (by its acceptance of the benefit of any of the Notes Documents), agrees that the ABL Facility Secured Parties and the ABL Facility Administrative Agent have no duty to any Notes Security Agent or the Notes Secured Parties in respect of the maintenance or preservation of the ABL Facility Priority Lien Collateral, the ABL Facility Obligations or otherwise.

(iv) Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, and each other Notes Secured Party (by its acceptance of the benefit of any of the Notes Documents), agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Facility Priority Lien Collateral or any other similar rights a junior secured creditor may have under applicable law.

(d) *Obligations Unconditional*. All rights, interests, agreements and obligations of the ABL Facility Administrative Agent and the ABL Facility Secured Parties and Notes Security Agents and the Notes Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any ABL Facility Document or any Notes Document;

(ii) except as otherwise set forth in this Agreement, any change permitted hereunder in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Facility Obligations or Notes Obligations, or any amendment or waiver or other modification permitted hereunder, whether by course of conduct or otherwise, of the terms of any ABL Facility Document or any Notes Document;

(iii) except as otherwise set forth in this Agreement, any exchange of any security interest in any ABL Facility Priority Lien Collateral or any Notes Priority Lien Collateral or any amendment, waiver or other modification permitted hereunder, whether in writing or by course of conduct or otherwise, of all or any of the ABL Facility Obligations or Notes Obligations;

(iv) the commencement of any Insolvency or Liquidation Proceeding in respect of any Borrower or any other Grantor; or

(v) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Borrower or any other Grantor in respect of the ABL Facility Obligations or Notes Obligations, or of the ABL Facility Administrative Agent, any ABL Facility Secured Party, any Notes Security Agent or any Notes Secured Party in respect of this Agreement.

Section 4. Cooperation with Respect To ABL Facility Priority Lien Collateral.

4.1. Consent to License to Use Intellectual Property. Each Notes Security Agent (and any purchaser, assignee or transferee of assets as provided in Section 4.3) (a) consents (without any representation, warranty or obligation whatsoever) to the grant by any Grantor to the ABL Facility Administrative Agent of a non-exclusive royalty-free license to use for a period not to exceed 180 days (commencing with the initiation of any enforcement of Liens by either the Controlling Security Agent (*provided* that the ABL Facility Administrative Agent has received notice thereof) or the ABL Facility Administrative Agent) any Intellectual Property or other proprietary information of such Grantor that is

subject to a Lien held by any Notes Security Agent (or any Intellectual Property or other proprietary information acquired by such purchaser, assignee or transferee from any Grantor, as the case may be) and (b) grants, in its capacity as a secured party (or as a purchaser, assignee or transferee, as the case may be), to the ABL Facility Administrative Agent a non-exclusive royalty-free license to use for a period not to exceed 180 days (commencing with (x) the initiation of any enforcement of Liens by either the Controlling Security Agent or the ABL Facility Administrative Agent or (y) the purchase, assignment or transfer, as the case may be (*provided* that in either such case the ABL Facility Administrative Agent has received notice thereof)) any Intellectual Property or other proprietary information that is subject to a Lien held by any Notes Security Agent (or subject to such purchase, assignment or transfer, as the case may be), in each case in connection with the enforcement of any Lien held by the ABL Facility Administrative Agent upon any Inventory or other ABL Facility Priority Lien Collateral of any Grantor and to the extent the use of such Intellectual Property or other proprietary information is necessary or appropriate, in the good faith opinion of the ABL Facility Administrative Agent, to process, ship, produce, store, complete, supply, lease, sell or otherwise dispose of any such Inventory in any lawful manner. The 180 day license periods shall be tolled during the pendency of any Insolvency or Liquidation Proceeding of any Grantor pursuant to which the ABL Facility Administrative Agent is effectively stayed from enforcing its rights and remedies with respect to the ABL Facility Priority Lien Collateral.

4.2. Access to Information. If the Controlling Security Agent takes actual possession of any records or other documentation of a Grantor (whether such documentation is in the form of a writing or is stored in any data equipment or data record in the physical possession of the Controlling Security Agent) the Controlling Security Agent shall promptly notify the ABL Facility Administrative Agent of such fact, then upon the reasonable request of the ABL Facility Administrative Agent and reasonable advance notice, the Controlling Security Agent will permit the ABL Facility Administrative Agent or its representative to inspect and copy such documentation as promptly as practicable thereafter.

4.3. Access to Property to Process and Sell Inventory. (a) (i) If the ABL Facility Administrative Agent commences any action or proceeding with respect to any of its rights or remedies (including, but not limited to, any action of foreclosure but excluding any exercise of rights solely in connection with a Cash Dominion Event, as such term is defined in the ABL Facility Pledge and Security Agreement, as in effect on the Effective Date), enforcement, collection or execution with respect to the ABL Facility Priority Lien Collateral ("ABL Facility Priority Lien Collateral Enforcement Actions") or if the Controlling Security Agent commences any action or proceeding with respect to any of its rights or remedies (including any action of foreclosure), enforcement, collection or execution with respect to the Notes Priority Lien Collateral and the Controlling Security Agent (or a purchaser at a foreclosure sale conducted in foreclosure of any Controlling Security Agent's Liens) takes actual or constructive possession or control of Notes Priority Lien Collateral of any Grantor ("Notes Priority Lien Collateral Enforcement Actions"), then the Notes Secured Parties and each Notes Security Agent shall (subject to, in the case of any Notes Priority Lien Collateral Enforcement Action, a prior written request by the ABL Facility Administrative Agent to the Controlling Security Agent (the "Notes Priority Lien Collateral Enforcement Action Notice")) (x) use commercially reasonable efforts to cooperate with the ABL Facility Administrative Agent (and with its officers, employees, representatives and agents) in its efforts to conduct ABL Facility Priority Lien Collateral Enforcement Actions in the ABL Facility Priority Lien Collateral and to finish any work-in-process and process, ship, produce, store, complete, supply, lease, sell or otherwise handle, deal with, assemble or dispose of, in any lawful manner, the ABL Facility Priority Lien Collateral, (y) not hinder or restrict in any respect the ABL Facility Administrative Agent from conducting ABL Facility Priority Lien Collateral Enforcement Actions in the ABL Facility Priority Lien Collateral or from finishing any work-in-process or processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Facility Priority Lien Collateral, and (z) permit the ABL Facility Administrative Agent, its employees, agents, advisers and representatives, at the cost and expense of the ABL Facility Secured Parties (but with the

Grantors' reimbursement and indemnity obligation with respect thereto), to enter upon and use the Notes Priority Lien Collateral (including, without limitation, equipment, processors, computers and other machinery related to the storage or processing of records, documents or files and Intellectual Property), for a period commencing on (I) the date of the initial ABL Facility Priority Lien Collateral Enforcement Action or the date of delivery of the Notes Priority Lien Collateral Enforcement Action Notice, as the case may be, and (II) ending on the earlier of the date occurring 180 days thereafter and the date on which all ABL Facility Priority Lien Collateral (other than ABL Facility Priority Lien Collateral abandoned by the ABL Facility Administrative Agent in writing) has been removed from the Notes Priority Lien Collateral (such period, the "ABL Facility Priority Lien Collateral Processing and Sale Period"), for purposes of:

(A) assembling and storing the ABL Facility Priority Lien Collateral and completing the processing of and turning into finished goods any ABL Facility Priority Lien Collateral consisting of work-in-process;

(B) selling any or all of the ABL Facility Priority Lien Collateral located in or on such Notes Priority Lien Collateral, whether in bulk, in lots or to customers in the ordinary course of business or otherwise;

(C) removing and transporting any or all of the ABL Facility Priority Lien Collateral located in or on such Notes Priority Lien Collateral;

(D) otherwise processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Facility Priority Lien Collateral; and/or

(E) taking reasonable actions to protect, secure, and otherwise enforce the rights or remedies of the ABL Facility Secured Parties and/or the ABL Facility Administrative Agent (including with respect to any ABL Facility Priority Lien Collateral Enforcement Actions) in and to the ABL Facility Priority Lien Collateral;

provided, *however*, that nothing contained in this Agreement shall restrict the rights of the Controlling Security Agent from selling, assigning or otherwise transferring any Notes Priority Lien Collateral prior to the expiration of such ABL Facility Priority Lien Collateral Processing and Sale Period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the ABL Facility Administrative Agent and the ABL Facility Secured Parties) to be bound by the provisions of this Section 4. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Facility Priority Lien Collateral has been entered by a court of competent jurisdiction, such ABL Facility Priority Lien Collateral Processing and Sale Period shall be tolled during the pendency of any such stay or other order.

(ii) During the period of actual occupation, use and/or control by the ABL Facility Secured Parties and/or the ABL Facility Administrative Agent (or their respective employees, agents, advisers and representatives) of any Notes Priority Lien Collateral, the ABL Facility Secured Parties and the ABL Facility Administrative Agent shall be obligated to repair at their expense any physical damage to such Notes Priority Lien Collateral resulting from such occupancy, use or control, and to leave such Notes Priority Lien Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL Facility Secured Parties or the ABL Facility Administrative Agent have any liability to the Notes Secured Parties and/or to any Notes Security Agent pursuant to this Section 4.3(a) as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Notes Priority Lien Collateral existing prior to the date of the exercise by the ABL Facility Secured Parties (or the ABL Facility

Administrative Agent, as the case may be) of their rights under this Section 4.3(a) and the ABL Facility Secured Parties shall have no duty or liability to maintain the Notes Priority Lien Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Facility Secured Parties, or for any diminution in the value of the Notes Priority Lien Collateral that results from ordinary wear and tear resulting from the use of the Notes Priority Lien Collateral by the ABL Facility Secured Parties in the manner and for the time periods specified under this Section 4.3(a). Without limiting the rights granted in this Section 4.3(a), the ABL Facility Secured Parties and the ABL Facility Administrative Agent shall use commercially reasonable efforts to cooperate with the Notes Secured Parties and/or the Controlling Security Agent, on behalf of the Notes Secured Parties, in connection with any efforts made by the Controlling Security Agent to sell the Notes Priority Lien Collateral.

(b) The ABL Facility Secured Parties shall (i) use the Notes Priority Lien Collateral in accordance with applicable law; (ii) obtain insurance for damage to property and liability to persons, including property and liability insurance, substantially similar to the insurance maintained by Grantors (or required to be maintained by the Grantors under the Notes Documents), naming each Notes Security Agent as mortgagee, loss payee and additional insured, as applicable, at no cost to the Notes Secured Parties, but only to the extent such insurance is not otherwise in effect; and (iii) indemnify the Notes Secured Parties from any claim, loss, damage, cost or liability arising out of any claim asserted by any third party as a result of any acts or omissions by the ABL Facility Administrative Agent, or any of its agents or representatives, in connection with the exercise by the ABL Facility Secured Parties of their rights of access set forth in this Section 4.3. In no event shall any ABL Facility Secured Party have any liability to the Notes Secured Parties pursuant to this Section 4.3(b) or otherwise as a result of any condition of or with respect to the Notes Priority Lien Collateral existing prior to the date of the exercise by the ABL Facility Secured Parties of their access rights under this Section 4.3(b), and the ABL Facility Secured Parties shall have no duty or liability to maintain the Notes Priority Lien Collateral in a condition or manner better than that in which it was maintained prior to the access and/or use thereof by the ABL Facility Secured Parties.

(c) Each Notes Security Agent (x) shall, at the request of the ABL Facility Administrative Agent, provide commercially reasonable cooperation to the ABL Facility Administrative Agent in connection with the manufacture, production, completion, handling, removal and sale of any ABL Facility Priority Lien Collateral by the ABL Facility Administrative Agent as provided above and (y) shall be entitled to receive, from the ABL Facility Administrative Agent, fair compensation and reimbursement for their reasonable costs and expenses incurred in connection with such cooperation, support and assistance to the ABL Facility Administrative Agent. Each Notes Security Agent and/or any such purchaser (or its transferee or successor) shall not otherwise be required to manufacture, produce, complete, remove, insure, protect, store, safeguard, sell or deliver any Inventory subject to any First Priority Lien held by the ABL Facility Administrative Agent or to provide any support, assistance or cooperation to the ABL Facility Administrative Agent in respect thereof.

4.4. Grantor Consent. Each Borrower and the other Grantors consent to the performance by each Notes Security Agent of the obligations set forth in this Article 4 and acknowledge and agree that no Notes Security Agent (nor any Notes Secured Party) shall ever be accountable or liable for any action taken or omitted by the ABL Facility Administrative Agent or any ABL Facility Secured Party or its or any of their officers, employees, agents successors or assigns in connection therewith or incidental thereto or in consequence thereof, including any improper use or disclosure of any proprietary information or other Intellectual Property by the ABL Facility Administrative Agent or any ABL Facility Secured Party or its or any of their officers, employees, agents, successors or assigns or any other damage to or misuse or loss of any property of the Grantors as a result of any action taken or omitted by the ABL Facility Administrative Agent or its officers, employees, agents, successors or assigns.

Section 5. Application of Proceeds.

5.1. Application of Proceeds in Distributions by the Controlling Security Agent.

(a) The Controlling Security Agent will apply the Proceeds of any collection, sale, foreclosure or other realization upon any Notes Priority Lien Collateral in connection with the exercise of rights and remedies and, except as otherwise provided in Sections 2.5(e) and 3.5(e), and, in each case the Proceeds of any title insurance policy with respect to any Notes Priority Lien Collateral, in the following order of application:

First, to the payment in full of all outstanding Notes Obligations in the order as specified in the Notes Documents (including, for the avoidance of doubt, the First Lien/Second Lien Intercreditor Agreement), until the occurrence of the Discharge of Notes Obligations;

Second, to the ABL Facility Administrative Agent for application to the payment in full of all outstanding ABL Facility Obligations in such order as may be provided in the ABL Facility Documents, until the occurrence of the Discharge of ABL Facility Obligations; and

Third, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Borrowers or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(b) In connection with the application of Proceeds pursuant to Section 5.1(a), except as otherwise directed by (x) if the First Lien Notes Security Trustee is then the Controlling Security Agent, the requisite holders of First Lien Notes Obligations as set forth in the First Lien Notes Documents or (y) if the Second Lien Notes Security Trustee is then the Controlling Security Agent, the requisite holders of Second Lien Notes Obligations as set forth in the Second Lien Notes Documents, the Controlling Security Agent may sell any non-cash Proceeds for cash prior to the application of the Proceeds thereof.

(c) If any Notes Security Agent or any Notes Secured Party collects or receives any Proceeds of such foreclosure, collection or other enforcement that should have been applied to the payment of the ABL Facility Obligations in accordance with Section 5.2(a) below, whether after the commencement of an Insolvency or Liquidation Proceeding or otherwise, such Notes Secured Party will forthwith deliver the same to the ABL Facility Administrative Agent, for the account of the holders of the ABL Facility Obligations, to be applied in accordance with Section 5.2(a). Until so delivered, such Proceeds will be held by that Notes Secured Party for the benefit of the holders of the ABL Facility Obligations.

5.2. Application of Proceeds in Distributions by the ABL Facility Administrative Agent.

(a) The ABL Facility Administrative Agent will apply the Proceeds of any collection, sale, foreclosure or other realization upon any ABL Facility Priority Lien Collateral in connection with the exercise of rights and remedies and, except as otherwise provided in Sections 2.5(e) and 3.5(e), and the Proceeds of any title insurance policy with respect to any ABL Facility Priority Lien Collateral, in the following order of application:

First, to the payment in full of all outstanding ABL Facility Obligations (other than Excess ABL Facility Obligations) in the order as specified in the ABL Facility Documents;

Second, to the Controlling Security Agent for application to the payment in full of all outstanding Notes Obligations in such order as may be provided in the Notes Documents (including, for the avoidance of doubt, the First Lien/Second Lien Intercreditor Agreement), until the occurrence of the Discharge of Notes Obligations;

Third, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the ABL Facility Administrative Agent for application to the payment in full of all outstanding Excess ABL Facility Obligations in the order specified in the ABL Facility Documents, until the occurrence of the Discharge of ABL Facility Obligations;

Fourth, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Borrowers or the other applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(b) In connection with the application of Proceeds pursuant to Section 5.2(a), except as otherwise directed by the requisite ABL Facility Lenders as set forth in the ABL Facility Documents, the ABL Facility Administrative Agent may sell any non-cash Proceeds for cash prior to the application of the Proceeds thereof.

(c) If the ABL Facility Administrative Agent or any ABL Facility Secured Party collects or receives any Proceeds of such foreclosure, collection or other enforcement that should have been applied to the payment of the Notes Obligations in accordance with Section 5.1(a) above, whether after the commencement of an Insolvency or Liquidation Proceeding or otherwise, such ABL Facility Secured Party will forthwith deliver the same to the Controlling Security Agent, for the account of the holders of the Notes Obligations, to be applied in accordance with Section 5.1(a). Until so delivered, such Proceeds will be held by that ABL Facility Secured Party for the benefit of the holders of the Notes Obligations.

5.3. Mixed Collateral Proceeds. Notwithstanding anything to the contrary contained above or in the definition of "ABL Facility Priority Lien Collateral" or "Notes Priority Lien Collateral", in the event that Proceeds of Collateral are received from (or are otherwise attributable to the value of) a sale or other disposition of Collateral that involves a combination of ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral, the portion of such Proceeds that shall be allocated as Proceeds of ABL Facility Priority Lien Collateral for purposes of this Agreement shall be an amount equal to the net book value of such ABL Facility Priority Lien Collateral (except in the case of Accounts, which amount shall be equal to the face amount of such Accounts). In addition, notwithstanding anything to the contrary contained above or in the definition of "ABL Facility Priority Lien Collateral" or "Notes Priority Lien Collateral", to the extent Proceeds of Collateral are Proceeds received from (or are otherwise attributable to the value of) the sale or disposition of all or substantially all of the Capital Stock of any Grantor or all or substantially all of the assets of any such Grantor, such Proceeds shall constitute (1) *first*, ABL Facility Priority Lien Collateral in an amount equal to the face amount of the Accounts (as described in clause (i) of the definition of "ABL Facility Priority Lien Collateral", and excluding any Accounts to the extent excluded pursuant to said clause (i)), *plus* (y) the net book value of the Inventory owned by such Grantor at the time of such sale, *plus* (z) the book value of all other ABL Facility Priority Lien Collateral to the extent identifiable and (2) *second*, to the extent in excess of the amounts described in preceding clause (1), Notes Priority Lien Collateral. In the event that amounts are received in respect of Capital Stock of or intercompany loans issued to any Grantor in an Insolvency or Liquidation Proceeding, such amounts shall be deemed to be Proceeds received from a sale or disposition of ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral and shall be allocated as Proceeds of ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral in proportion to the ABL Facility Priority Lien Collateral and Notes Priority Lien Collateral owned at such time by the issuer of such Capital Stock or issuer of intercompany loans, as applicable.

Section 6. Miscellaneous.

6.1. Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of the Notes Documents or the ABL Facility Documents, the provisions of this Agreement shall govern and control with respect to the priority of any Liens among and exercise of any rights and remedies by the ABL Facility Secured Parties, First Lien Notes Secured Parties and the Second Lien Notes Secured

Parties. By its acceptance of the benefits hereof, each Secured Party acknowledges and agrees that the terms and provisions of this Agreement do not violate any term or provision of its respective Notes Documents or ABL Facility Documents. Notwithstanding the foregoing, solely as among the Notes Secured Parties, in the event of any conflict between this Agreement and the First Lien/Second Lien Intercreditor Agreement, the provisions of the First Lien/Second Lien Intercreditor Agreement shall govern and control.

6.2. Effectiveness; Continuing Nature of this Agreement; Severability.

(a) This Agreement shall become effective on the date on which (i) the ABL Facility Administrative Agent, the First Lien Notes Security Trustee and the Second Lien Notes Security Trustee shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to each other party hereto and (ii) each Grantor as of the Effective Date have delivered a signed counterpart hereof. Each Security Agent, on behalf of itself and the applicable Secured Parties, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Without limiting the generality of the foregoing, this Agreement is intended to constitute and shall be deemed to constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code and is intended to be and shall be interpreted to be enforceable to the maximum extent permitted pursuant to applicable nonbankruptcy law. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to each Borrower or any other Grantor shall include such Borrower or such Grantor as debtor and debtor in possession and any receiver or trustee for each Borrower or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

(b) This Agreement shall terminate and be of no further force and effect:

(i) with respect to the ABL Facility Administrative Agent, the ABL Facility Secured Parties and the ABL Facility Obligations, upon the Discharge of ABL Facility Obligations, subject to the rights of the ABL Facility Secured Parties under Section 6.17;

(ii) with respect to First Lien Notes Security Trustee, the First Lien Notes Secured Parties and the First Lien Notes Obligations, upon the Discharge of First Lien Notes Obligations, subject to the rights of the First Lien Notes Secured Parties under Section 6.17; and

(iii) with respect to Second Lien Notes Security Trustee, the Second Lien Notes Secured Parties and the Second Lien Notes Obligations, upon the Discharge of Second Lien Notes Obligations, subject to the rights of the Second Lien Notes Secured Parties under Section 6.17.

6.3. Amendments; Waivers.

(a) Subject to Section 6.3(b), no amendment, modification or waiver of any of the provisions of this Agreement by any Notes Security Agent or the ABL Facility Administrative Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent; *provided* that additional Grantors may be added as parties hereto in accordance with the provisions of Section 6.16. Each waiver of the terms of this Agreement, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Borrower nor any other Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent

its rights, obligations, interests or privileges are directly affected (which includes any amendment to the Grantors' ability to cause additional obligations to constitute Notes Obligations or ABL Facility Obligations as any Borrower and/or any other Grantor may designate).

(b) It is understood that the ABL Facility Administrative Agent and each Notes Security Agent, without the consent of any other ABL Facility Secured Party or Notes Secured Party, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate (i) to facilitate having additional indebtedness or other obligations of any of the Grantors become ABL Facility Obligations or Notes Obligations, as the case may be, under this Agreement, (ii) to give effect to any amendments contemplated by Section 2.4(f)(i) or 3.4(f)(i) in connection with a Permitted Refinancing of Notes Obligations or ABL Facility Obligations, as applicable or (iii) to effectuate the subordination of Liens of the type described in clause (ff) of the definition of "Permitted Liens" in the ABL Facility Credit Agreement or of the type described in clause (33) of the definition of "Permitted Liens" in the Indentures (or, in each case, any equivalent or similar baskets or exceptions under the documentation governing or evidencing any Permitted Refinancing thereof) to (x) the Liens on the Notes Priority Lien Collateral securing the ABL Facility Obligations and the Notes Obligations and (y) the Liens on the ABL Facility Priority Lien Collateral securing ABL Facility Obligations and the Notes Obligations (the indebtedness or other obligations described in clauses (i) to (iii), "Additional Debt"), which supplemental agreement shall, except in the case of preceding clauses (ii) and (iii), specify whether such Additional Debt constitutes ABL Facility Obligations or Notes Obligations; *provided* that such Additional Debt is permitted to be incurred under the Financing Agreements then extant in accordance with the terms thereof, and each of the ABL Facility Administrative Agent and each Notes Security Agent shall execute and deliver such supplemental agreement at the other's request (or upon the request of Anagram LLC) and such supplemental agreement may contain additional intercreditor terms (to the extent consistent with the foregoing and each of the ABL Facility Credit Agreement and Notes Financing Agreements then extant) applicable solely to the holders of such Additional Debt vis-à-vis the holders of the relevant obligations hereunder. Notwithstanding anything to the contrary herein, (i) any Notes Security Agent may condition its execution and delivery of any such amendment or supplemental agreement on a receipt of an Officer's Certificate (as defined in the applicable Indenture) of Anagram LLC (as to which such Notes Security Agent is entitled to conclusively rely without liability) to the effect that any such amendment or supplemental agreement is authorized or permitted by this Agreement and the other Notes Documents and (ii) the ABL Facility Administrative Agent may condition its execution and delivery of any such amendment or supplemental agreement on a receipt of a certificate executed by an Officer (as defined in the ABL Facility Credit Agreement) of a Borrower (as to which the ABL Facility Administrative Agent is entitled to conclusively rely without liability) to the effect that any such amendment or supplemental agreement is authorized or permitted by this Agreement and the other ABL Facility Documents.

6.4. Information Concerning Financial Condition of Borrowers and their Subsidiaries. The Notes Secured Parties (other than the Notes Security Agents, the First Lien Notes Trustee and the Second Lien Notes Trustee), on the one hand, and the ABL Facility Administrative Agent and the ABL Facility Secured Parties, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of each Borrower and its Subsidiaries and all endorsers and/or guarantors of the Notes Obligations or the ABL Facility Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Facility Obligations or the Notes Obligations. The Notes Security Agents and Notes Secured Parties shall have no duty to advise the ABL Facility Administrative Agent or any ABL Facility Secured Party of information known to it or them regarding such condition or any such circumstances or otherwise. The ABL Facility Administrative Agent and ABL Facility Secured Parties shall have no duty to advise any Notes Security Agent or any Notes Secured Party of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either any Notes Security Agent or any of the Notes Secured Parties, on the one hand or the ABL Facility

Administrative Agent or any of the ABL Facility Secured Parties, on the other hand, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to any other party hereto, it or they shall be under no obligation (w) to make, and such informing party shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (x) to provide any additional information or to provide any such information on any subsequent occasion, (y) to undertake any investigation or (z) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

6.5. Submission to Jurisdiction; Waivers.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY HERETO, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY HERETO, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (a) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (b) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (c) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 6.6; AND (d) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (c) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) **EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 6.5(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

6.6. Notices. All notices to the ABL Facility Secured Parties and the Notes Secured Parties permitted or required under this Agreement shall also be sent to the ABL Facility Administrative Agent and each Notes Security Agent, respectively. Unless otherwise specifically provided herein, any notice

hereunder shall be in writing and may be personally served or sent by facsimile, e-mail or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. Notices 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); *provided* that, if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient. For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

6.7. Further Assurances. Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, and the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, and each Grantor, agrees that each of them shall take such further action and shall execute (without recourse or warranty) and deliver such additional documents and instruments (in recordable form, if requested) as any Notes Security Agent or the ABL Facility Administrative Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement. Each Notes Secured Party, by its acceptance of the benefits of any Notes Document to which it is a party or any other Notes Document, agrees to be bound by the agreements herein made by it and the Notes Security Agent representing it, on its behalf. Each ABL Facility Secured Party, by its acceptance of the benefits of any ABL Facility Document to which it is a party or any other ABL Facility Document, agrees to be bound by the agreements herein made by it and the ABL Facility Administrative Agent representing it, on its behalf.

6.8. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

6.9. Binding on Successors and Assigns. This Agreement shall be binding upon the parties hereto, the Notes Secured Parties, the ABL Facility Secured Parties and their respective successors and assigns.

6.10. Specific Performance. Each of the Notes Security Agents and the ABL Facility Administrative Agent may demand specific performance of this Agreement. Each Notes Security Agent, on behalf of itself and the Notes Secured Parties that it represents, and the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by any Notes Security Agent or the ABL Facility Administrative Agent, as the case may be.

6.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

6.12. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable. Except to the extent applicable law would prohibit the same, make the same unenforceable or affirmatively requires a manually executed counterpart

signature, (i) the delivery of an executed counterpart of a signature page of this Agreement by fax, emailed .pdf or any other electronic means approved by each party hereto in writing (which may be via email) that reproduces an image of the actual executed signature page shall be as effective as the delivery of a manually executed counterpart of this Agreement, and (ii) if agreed by each party hereto in writing (which may be via email) with respect to this Agreement, the delivery of an executed counterpart of a signature page of this Amendment by electronic means that types in the signatory to a document as a "conformed signature" from Agreement email address approved by each party hereto in writing (which may be via email) shall be as effective as the delivery of a manually executed counterpart of this Agreement. In furtherance of the foregoing, the words "execution", "signed", "signature", "delivery" and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. As used herein, "Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or other record.

6.13. Authorization; No Conflict. Each of the parties hereto represents and warrants to all other parties hereto that the execution, delivery and performance by or on behalf of such party to this Agreement has been duly authorized by all necessary action, corporate or otherwise, does not violate any provision of law, governmental regulation, or any agreement or instrument by which such party is bound, and requires no governmental or other consent that has not been obtained and is not in full force and effect.

6.14. No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of the Notes Secured Parties, the ABL Facility Secured Parties and each of their respective successors and permitted assigns. No other Person shall have or be entitled to assert rights or benefits hereunder (other than the Grantors under Section 6.3 and under any provision hereof purporting to preserve any right of, or directly affecting, any Grantor under this Agreement or any Notes Document or ABL Facility Document).

6.15. Provisions Solely to Define Relative Rights.

(a) The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights and remedies of the Notes Secured Parties on the one hand and the ABL Facility Secured Parties on the other hand. Except as expressly provided in Section 6.14, none of the Borrowers, any other Grantor or any other creditor thereof shall have any rights hereunder. Nothing in this Agreement is intended to or shall impair the obligations of each Borrower or any other Grantor, which are absolute and unconditional, to pay the Notes Obligations and the ABL Facility Obligations as and when the same shall become due and payable in accordance with their respective terms.

(b) Nothing in this Agreement shall relieve any Borrower or any other Grantor from the performance of any term, covenant, condition or agreement on such Borrower's or such Grantor's part to be performed or observed under or in respect of any of the Collateral pledged by it or from any liability to any Person under or in respect of any of such Collateral or impose any obligation on any Security Agent to perform or observe any such term, covenant, condition or agreement on such Borrower's or such other Grantor's part to be so performed or observed or impose any liability on any Security Agent for any act or omission on the part of such Borrower or such other Grantor relative thereto or for any breach of any representation or warranty on the part of such Borrower or such other Grantor contained in this Agreement or any ABL Facility Document or any Notes Document, or in respect of the Collateral pledged by it. The

obligations of each Borrower and each other Grantor contained in this paragraph shall survive the termination of this Agreement and the discharge of such Borrower's or such other Grantor's other obligations hereunder.

(c) Each of the Security Agents acknowledges and agrees that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other ABL Facility Document or any Notes Document. Except as otherwise provided in this Agreement, each of the Security Agents and the Administrative Agents will be entitled to manage and supervise their respective extensions of credit to each Borrower or any of its Subsidiaries in accordance with law and their usual practices, modified from time to time as they deem appropriate.

6.16. Additional Grantors. Each Borrower will cause each Person that becomes a Grantor or is a Subsidiary (other than an Immaterial Subsidiary) required by any Notes Document or ABL Facility Document to become a party to this Agreement to become a party to this Agreement, with respect to its rights, obligations, interests or privileges set forth in this Agreement, by causing such Person to execute and deliver to the parties hereto an Intercreditor Agreement Joinder, whereupon such Person will be bound by the terms hereof to the same extent as if it had executed and delivered this Agreement as of the date hereof. Anagram LLC shall promptly provide each Security Agent with a copy of each Intercreditor Agreement Joinder executed and delivered pursuant to this Section 6.16.

6.17. Avoidance Issues. If any ABL Facility Secured Party or Notes Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower or any other Grantor any amount (a "Recovery"), then such ABL Facility Secured Party or Notes Secured Party, as applicable, shall be entitled to a reinstatement of ABL Facility Obligations or Notes Obligations, as applicable, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.18. Subrogation.

(a) Subject to the Discharge of Notes Obligations, with respect to the value of any payments or distributions in cash, property or other assets that the ABL Facility Secured Parties or ABL Facility Administrative Agent pay over to the Controlling Security Agent or any of the other Notes Secured Parties under the terms of this Agreement with respect to any Notes Priority Lien Collateral, the ABL Facility Secured Parties and the ABL Facility Administrative Agent shall be subrogated to the rights of each Notes Security Agent and such other Notes Secured Parties; *provided* that, the ABL Facility Administrative Agent, on behalf of itself and the ABL Facility Secured Parties, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Notes Obligations has occurred. Each Borrower and each other Grantor acknowledges and agrees that, the value of any payments or distributions in cash, property or other assets received by the ABL Facility Administrative Agent or the other ABL Facility Secured Parties and paid over to the Controlling Security Agent or the other Notes Secured Parties pursuant to, and applied in accordance with, this Agreement, shall not relieve or reduce any of the ABL Facility Obligations owed by any Borrower or any other Grantor under the ABL Facility Documents.

(b) Subject to the Discharge of ABL Facility Obligations, with respect to the value of any payments or distributions in cash, property or other assets that the Notes Secured Parties or any Notes Security Agent pay over to the ABL Facility Administrative Agent or any of the other ABL Facility Secured Parties under the terms of this Agreement with respect to the ABL Facility Priority Lien Collateral, the Notes Secured Parties and each Notes Security Agent shall be subrogated to the rights of the ABL Facility Administrative Agent and the other ABL Facility Secured Parties; *provided* that, each Notes Security

Agent, on behalf of itself and the Notes Secured Parties that it represents, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Facility Obligations has occurred. Each Borrower and each other Grantor acknowledges and agrees that, the value of any payments or distributions in cash, property or other assets received by any Notes Security Agent or the other Notes Secured Parties and paid over to the ABL Facility Administrative Agent or the other ABL Facility Secured Parties pursuant to, and applied in accordance with, this Agreement, shall not relieve or reduce any of the Notes Obligations owed by each Borrower or any other Grantor under the Notes Documents.

6.19. Intercreditor Agreements. This Agreement is the "ABL Intercreditor Agreement" referred to in the Indentures. Nothing in this Agreement shall be deemed to modify the rights, remedies and obligations as between the First Lien Notes Trustee, the First Lien Notes Security Trustee and the other First Lien Notes Secured Parties, on the one hand, and the Second Lien Notes Trustee, the Second Lien Notes Security Trustee and the other Second Lien Notes Secured Parties, on the other hand, as set forth in the First Lien/Second Lien Intercreditor Agreement.

6.20. ABL Facility Administrative Agent. It is understood and agreed that the ABL Facility Administrative Agent is entering into this Agreement solely in its capacity as Administrative Agent under and as defined in the ABL Facility Credit Agreement at the direction of the requisite ABL Facility Lenders thereunder, shall not be responsible for the terms or sufficiency of this Agreement and it shall enjoy all of the rights, immunities, privileges, protections and indemnities granted to it under such ABL Facility Credit Agreement applicable to it as Administrative Agent thereunder. The ABL Facility Administrative Agent shall have no duties or obligations under or pursuant to this Agreement other than such duties and obligations as may be expressly set forth in this Agreement. Notwithstanding any other provision of this Agreement, nothing herein shall be construed to impose any fiduciary duty, regardless of whether a default or event of default has occurred and is continuing, on the ABL Facility Administrative Agent. Whenever reference is made in this Agreement to any action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by ABL Facility Administrative Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by the ABL Facility Administrative Agent, it is understood that in all cases the ABL Facility Administrative Agent shall be acting, giving, withholding, suffering, omitting, taking or otherwise undertaking and exercising the same (or shall not be undertaking and exercising the same) in accordance with the ABL Facility Credit Agreement and the other ABL Facility Documents.

6.21. Notes Security Agents. It is understood and agreed that each Notes Security Agent is entering into this Agreement solely in its capacity as Collateral Trustee under and as defined in each applicable Indenture at the direction of the requisite holders of the applicable Notes Obligations, shall not be responsible for the terms or sufficiency of this Agreement and shall enjoy all of the rights, immunities, privileges, protections and indemnities granted to it under such Indenture applicable to it as Collateral Trustee thereunder. The Notes Security Agents shall have no duties or obligations under or pursuant to this Agreement other than such duties and obligations as may be expressly set forth in this Agreement. Notwithstanding any other provision of this Agreement, nothing herein shall be construed to impose any fiduciary duty, regardless of whether a default or event of default has occurred and is continuing, on either Notes Security Agent. Whenever reference is made in this Agreement to any action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by a Notes Security Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by a Notes Security Agent, it is understood that in all cases each Notes Security Agent shall be acting, giving, withholding, suffering,

omitting, taking or otherwise undertaking and exercising the same (or shall not be undertaking and exercising the same) in accordance with the applicable Indentures and the other applicable Notes Documents.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Intercreditor Agreement to be executed by their respective officers or representatives as of the day and year first above written.

ANAGRAM HOLDINGS, LLC

By:_____
Name: Todd Vogensen
Title: Authorized Officer

ANAGRAM INTERNATIONAL, INC.

By:_____
Name: Todd Vogensen
Title: Vice President, Treasurer

ANAGRAM INTERNATIONAL HOLDINGS, INC.

By:_____
Name: Todd Vogensen
Title: Vice President, Treasurer

Address:

90 S. 7th Street – 16th Floor
Minneapolis, MN 55402
Attention: Loan Portfolio Manager
Email: kerri.l.otto@wellsfargo.com

WELLS FARGO BANK, NATIONAL ASSOCIATION
as ABL Facility Administrative Agent

By:_____
Name: Anwar S. Young
Title: Authorized Signatory

Address:

140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Email: lisa.price@ankura.com

ANKURA TRUST COMPANY, LLC,
as First Lien Notes Security Trustee

By:_____
Name:
Title:

Address:

140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Email: lisa.price@ankura.com

ANKURA TRUST COMPANY, LLC,
as Second Lien Notes Security Trustee

By:_____
Name:
Title:

Address:

90 S. 7th Street – 16th Floor
Minneapolis, MN 55402
Attention: Loan Portfolio Manager
Email: kerri.l.otto@wellsfargo.com

WELLS FARGO BANK, NATIONAL ASSOCIATION
as ABL Facility Administrative Agent

By:_____
Name:
Title:

Address:

140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Email: lisa.price@ankura.com

ANKURA TRUST COMPANY, LLC,
as First Lien Notes Security Trustee

By:_____
Name: Lisa Price
Title: Managing Director

Address:

140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Email: lisa.price@ankura.com

ANKURA TRUST COMPANY, LLC,
as Second Lien Notes Security Trustee

By:_____
Name: Lisa Price
Title: Managing Director

EXHIBIT A
to Intercreditor Agreement

FORM OF
INTERCREDITOR AGREEMENT JOINDER

The undersigned, _____, a _____, hereby agrees to become party as [a Grantor] [an ABL Facility Administrative Agent] [a First Lien Notes Security Trustee] [a Second Lien Notes Security Trustee] (the ["New Grantor"] ["New ABL Facility Administrative Agent"] ["New First Lien Notes Security Agent"] ["New Second Lien Notes Security Agent"]) under the Intercreditor Agreement, dated as of May 7, 2021 (the "Intercreditor Agreement"), among ANAGRAM HOLDINGS, LLC, a Delaware limited liability company, ANAGRAM INTERNATIONAL, INC., a Minnesota corporation, the other GRANTORS from time to time party thereto, Wells Fargo Bank, National Association, as ABL Facility Administrative Agent, Ankura Trust Company, LLC, as First Lien Notes Security Trustee, and Ankura Trust Company, LLC, as Second Lien Notes Security Trustee, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, for all purposes thereof on the terms set forth therein, and to be bound by the terms of the Intercreditor Agreement as fully as if the undersigned had executed and delivered the Intercreditor Agreement as of the date thereof.

The provisions of Section 6 of the Intercreditor Agreement will apply with like effect to this Intercreditor Agreement Joinder (this "Joinder").

This Joinder may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Joinder by facsimile transmission or other electronic method shall be as effective as delivery of a manually signed counterpart of this Joinder. Section 6.12 of the Intercreditor Agreement shall apply, *mutatis mutandis*, to the execution of this Joinder.

The address of the undersigned for purposes of all notices and other communications hereunder and under the Intercreditor Agreement is: [●], Attention of [●] (Facsimile No. [●][, electronic mail address: [●]]).

THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Intercreditor Agreement Joinder to be executed by its officer or representative as of _____, 20____.

[_____], as
[New Grantor] [New ABL Facility Administrative Agent] [First Lien Notes Security Trustee] [Second Lien Notes Security Trustee]

By: _____
Name:
Title:

EXHIBIT E

Exhibit 4.5

EXECUTION VERSION

Anagram International, Inc.

and

Anagram Holdings, LLC

as Issuers ,

The Guarantor s Party Hereto From Time to Time,

as Guarantor s,

and

Ankura Trust Company , LLC

as Trustee and Collateral Trustee

10.00% PIK /Cash Senior Secured Second Lien Notes due 2026

INDENTURE

Dated as of July 30, 2020

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INDENTURE dated as of July 30, 2020 among Anagram Holdings, LLC, a Delaware limited liability company, as issuer ("Anagram LLC "), Anagram International, Inc., a Minnesota corporation, as co-issuer (the "Company " and, together with Anagram LLC , the "Issuers "), the Guarantor s (as defined herein) from time to time party hereto, and Ankura Trust Company , LLC, as trustee (together with its successors and permitted assigns, in such capacity, the "Trustee ") and collateral trustee (together with its successors and permitted assigns, in such capacity, the "Collateral Trustee ") for the benefit of the Secured Parties (as defined herein). The Company is a wholly-owned subsidiary of Anagram LLC . The Issuers are wholly-owned subsidiaries of Party City Holdco Inc. (the "Parent ").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holder s (as defined below) of the $84,686,977 aggregate principal amount of the Issuers ' 10.00% PIK /Cash Senior Secured Second Lien Notes due 2026, issued pursuant to this Indenture (as defined below) on the date hereof (the "Second Lien Notes "), and any related PIK Securities (as defined below) and any PIK Interest (as defined below) with respect to such Second Lien Notes that may be issued pursuant to this Indenture after the date hereof in the form of Exhibit A attached hereto (all such securities collectively, "Securities "). The Second Lien Notes and any PIK Securities shall constitute a single series hereunder. On the date hereof, the Issuers shall also issue $110.0 million aggregate principal amount of the Issuers ' 15.00% PIK /Cash Senior Secured First Lien Notes due 2025 (together with the interest thereon paid "in kind" from time to time, the "First Lien Notes "), under an indenture to be dated as of the date hereof (the "First Lien Indenture "), among the Issuers , the guarantors from time to time party thereto and Ankura Trust Company , LLC, as trustee and the collateral trustee. The Second Lien Notes and the First Lien Notes will not be fungible and will constitute separate and distinct classes of the Issuers ' debt securities.

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions. Unless the context otherwise requires, for all purposes under this Indenture , the Intercreditor Agreements (as defined below) and any Security Document (as defined below), (i) references to the Securities include any related PIK Securities and (ii) references to "principal amount" of Securities include any increase in the principal amount of outstanding Second Lien Notes (including the principal amount of PIK Securities) as a result of a payment of PIK Interest with respect to such Second Lien Notes .

"ABL Administrative Agent " means the "ABL Administrative Agent " (as defined in the ABL Intercreditor Agreement or its equivalent term), together with any of its successors and permitted assigns in such capacity.

"ABL Credit Agreement " means that certain "ABL Credit Agreement " (if entered into) as defined in the ABL Intercreditor Agreement or the equivalent term thereunder, which shall (x) be secured by a Lien on the ABL Priority Collateral on a senior-priority basis to the Lien s on the Collateral securing the Secured Obligations (as defined in the Security Agreement), shall not be secured by any property or assets of the Issuers or any Subsidiary other than the Collateral , and any Lien on Collateral other than ABL Priority Collateral will be junior to the Lien on the Collateral securing the Secured Obligations , (y) not be guaranteed by any Subsidiaries other than the Guarantor s and (z) be subject to the ABL Intercreditor Agreement , as the same may be amended, restated, amended and restated, modified, supplemented, extended, renewed, refunded, replaced or refinanced from time to time solely to the extent permitted by this Indenture and the ABL Intercreditor Agreement . Any refinancing of the ABL Credit

Agreement permitted hereunder and the ABL Intercreditor Agreement shall be thereafter deemed to be the ABL Credit Agreement hereunder.

"ABL Intercreditor Agreement " means an intercreditor agreement in a form reasonably acceptable to the Collateral Trustee (with the consent of the Holder s of at least a majority in principal amount of the Securities (including PIK Securities) then outstanding voting as a single class (including consents obtained in connection with a purchase of, tender offer or exchange offer for, the Securities)), the ABL Administrative Agent and the collateral trustee for the First Lien Notes , by and among the ABL Administrative Agent , the Collateral Trustee , in its capacity as Second Lien Collateral Trustee for the Second Lien Secured Parties (each, as defined therein), and Ankura Trust Company , LLC as the collateral trustee for the First Lien Notes , in its capacity as First Lien Collateral Trustee for the First Lien Secured Parties (each, as defined therein), and each additional representative party thereto from time to time, and acknowledged by the Issuers and the Guarantor s.

"ABL Obligations " means the Obligations of the Issuers and the Guarantor s owed pursuant to the documentation governing the ABL Credit Agreement and any related loan and security documents.

"ABL Priority Collateral " means accounts receivable, inventory, deposit accounts, chattel paper, general intangibles and supporting obligations related to any of the foregoing, and other assets related to the foregoing which customarily secure ABL credit facilities similar to the ABL Credit Agreement on a first priority basis.

"Acquired Indebtedness " means, with respect to any specified Person :

(1) Indebtedness of any other Person existing at the time such other Person is consolidated, merged or amalgamated with or into or became a Restricted Subsidiary of such specified Person , including Indebtedness incurred in connection with, or in contemplation of, such other Person merging or amalgamating with or into, or becoming a Restricted Subsidiary of, such specified Person , and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person .

"Affiliate " of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person . For purposes of this definition, "*control*" (including, with correlative meanings, the terms "*controlling*," "*controlled by*" and "*under common control with*"), as used with respect to any Person , means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person , whether through the ownership of voting securities, by agreement or otherwise.

"Applicable Premium " means, with respect to any Security, the greater of: (1) 1.0% of the principal amount of such Security and (2) the excess, if any, of: (a) the present value as of the relevant date of determination of (i) the redemption price of such Security at August 15, 2022 pursuant to Section
3.09 hereof plus (ii) all required remaining scheduled interest payments due on such Security through August 15, 2022 (excluding accrued but unpaid interest to the date of determination), computed using a discount rate equal to the Treasury Rate as of such date of determination plus 50 basis points; over (b) the then outstanding principal amount of such Security, as calculated in good faith by the Issuers or on behalf of the Issuers by such Person as the Issuers shall designate in good faith; *provided* that such calculation shall not be a duty or an obligation of the Trustee .

"Asset Sale " means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of the Issuers or any of their Restricted Subsidiaries (each referred to in this definition as *a* "*disposition*"); or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary , whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of (i) Cash Equivalents or Investment Grade Securities , (ii) surplus, obsolete, damaged or worn out property or equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale in the ordinary course of business and (iii) property no longer used or useful in the conduct of business of the Issuers and their Restricted Subsidiaries ;

(b) the disposition of all or substantially all of the assets of the Issuers in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control ;

(c) the making of any Restricted Payment that is permitted to be made, and is made, under Section 4.04;

(d) any disposition of assets of the Issuers or any Restricted Subsidiary or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate Fair Market Value of less than $1.0 million;

(e) any disposition of property or assets or issuance of securities by a Guarantor to an Issuer or by an Issuer or a Guarantor to another Issuer or a Guarantor ; *provided* that in the case of a sale of Collateral , the transferee shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by or transferred to the transferee, together with such financing statements or comparable documents as may be required to perfect any security interests in such Collateral , which may be perfected by the filing of a financing statement or a similar document under the Uniform Commercial Code or other similar statute or regulation of the relevant states or jurisdictions; to the extent allowable under Section 1031 of the Internal Revenue Code of 1986, as amended, any exchange of like property (excluding any boot thereon) for use in a Similar Business ;

(f) (i) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business and (ii) the termination of leases in the ordinary course of business;

(g) any disposition arising from foreclosure, casualty, condemnation or any similar action or transfers by reason of eminent domain with respect to any property or other asset of the Issuers or any of the Restricted Subsidiaries or exercise of termination rights under any lease, sublease, license, sublicense, concession or other agreement;

(h) dispositions in connection with the granting of a Lien that is permitted under Section 4.12;

(i) the issuance by a Restricted Subsidiary of Preferred Stock or Disqualified Stock that is permitted under Section 4.03;

(j) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property, including, but not limited to, grants of franchises or licenses, franchise or license master agreements and/or area development agreements; *provided* any such grants to Affiliate s shall be treated as a disposition subject to the requirements of Section 4.07(a) hereof, and if such grant, when treated as a disposition subject to Section 4.07(a), is not in compliance with the requirements of Section 4.07(a), such grant shall constitute an "Asset Sale ";

(k) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;

(l) the discount of inventory, accounts receivable or notes receivable or the conversion of accounts receivable to notes receivable, in each case in the ordinary course of business;

(m) the abandonment of intellectual property rights in the ordinary course of business which in the reasonable good faith determination of the Issuers are not material to the conduct of the business of the Issuers and the Restricted Subsidiaries taken as a whole; *provided* that any such abandonments shall be treated as a disposition subject to the requirements of Section 4.07(a) hereof, and if such abandonment, when treated as a disposition subject to Section 4.07(a), is not in compliance with the requirements of Section 4.07(a) hereof, such abandonment shall constitute an "Asset Sale ."

(n) licenses for the conduct of licensed departments within the Issuers in the ordinary course of business;

(o) termination of Hedging Obligations pursuant to the terms of the documentation governing such Hedging Obligations ;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind in the ordinary course of business;

(q) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements; and

(r) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the Net Proceeds of such disposition are promptly applied to the purchase price of such replacement property.

"Authenticating Agent " has the meaning set forth in Section 2.03.

"Bank Products " means any services or facilities on account of credit or debit cards, purchase cards or merchant services constituting a line of credit.

"Bankruptcy Code " means title 11 of the United States Code , as amended.

"Bankruptcy Law " means the Bankruptcy Code and any similar federal, state or foreign law for relief of debtors.

"Business Day " means each day which is not a Legal Holiday .

"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 Financing Lease Obligation s, obligations under synthetic leases and Capitalized Software Expenditures 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 Capital Stock of, any other Person .

"Capital Stock " means:

(1) in the case of a corporation, shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person .

"Capitalized Software Expenditures " shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Subsidiaries during such period in respect of licensed or purchased software or internally developed software and enhancements that, in conformity with GAAP , are or are required to be reflected as capitalized costs on the consolidated balance sheet of such Person and such Subsidiaries .

"Cash Equivalents " means:

(1) United States dollars;

(2) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $250.0 million and permitted under clause (1) above;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above, and in each case in United States dollars;

(5) commercial paper rated at least "A2" by Moody's or at least "A" by S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within 24 months after the date of creation thereof, and in each case in United States dollars;

(6) marketable short-term money market and similar securities having a rating of at least "A2" or "A" from either Moody's or S&P , respectively (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within 24 months after the date of creation thereof and in United States dollars;

(7) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having an Investment Grade Rating from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized rating agency) with maturities of 24 months or less from the date of acquisition;

(8) Indebtedness or Preferred Stock issued by Person s with a rating of "A" or higher from S&P or "A2" or higher from Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) with maturities of 24 months or less from the date of acquisition and in each case in United States dollars;

(9) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated "AAA-" (or the equivalent thereof) or better by S&P or "Aaa3" (or the equivalent thereof) or better by Moody's and in each case in United States dollars; and

(10) investment funds investing substantially all of their assets in securities of the types described in clauses (1) through (9) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than United States dollars; *provided* that such amounts are converted into United States dollars as promptly as practicable and in any event within ten (10) Business Day s following the receipt of such amounts.

"Cash Management Services " means any of the following to the extent not constituting a line of credit: treasury and/or cash management services, including, without limitation, controlled disbursement services, foreign exchange facilities, deposit and other accounts and merchant services.

"Change of Control " means the occurrence of any of the following after the Issue Date :

(1) the sale, lease or transfer, in one or a series of related transactions (other than by way of merger or consolidation), of all or substantially all of the assets of the Parent and its Subsidiaries , taken as a whole, to any Person other than one or more Permitted Holder s ;

(2) the sale, lease or transfer, in one or a series of related transactions (other than by way of merger or consolidation), of all or substantially all of the assets of the Issuers and their Subsidiaries , taken as a whole, to any Person other than one or more Permitted Holder s ; or

(3) Parent and/or the Issuers become aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act , proxy, vote, written notice or otherwise) the acquisition

by (A) any Person (other than one or more Permitted Holder s) or (B) Person s (other than one or more Permitted Holder s) that are together (1) a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act , or any successor provision), or (2) are acting, for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), as a group, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act , or any successor provision) of more than 50.0% of the total voting power of the Voting Stock of the Parent or, in the case of the Issuers , more than 35% of the total voting power of the Voting Stock of either (x) the Company or (y) Anagram LLC . For purposes of this definition, a Person or group shall not be deemed to beneficially own Voting Stock subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement. Notwithstanding the foregoing, a transaction will not be deemed to be a Change of Control under this clause (3) if the Parent or either of the Issuers , as applicable, becomes a direct or indirect wholly-owned subsidiary of one or more holding companies (which may include the Parent in respect of the Issuers) and immediately following that transaction no Person or group, other than one or more Permitted Holder s , beneficially owns, directly or indirectly, more than 50% (with respect to the Parent) or 35% (with respect to the Issuers) of the Voting Stock of each such holding company.

"Code " means the Internal Revenue Code of 1986, as amended.

"Collateral " has the meaning set forth in Article 2 of the Security Agreement .

"Collateral Trustee " has the meaning set forth in the preamble.

"Consolidated Depreciation and Amortization Expense " means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including without limitation the amortization of intangible assets, deferred financing fees and Capitalized Software Expenditures , of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP .

"Consolidated Interest Expense " means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Financing Lease Obligation s, and (e) net payments, if any, made (less net payments, if any, received) pursuant to interest rate Hedging Obligations with respect to Indebtedness , and excluding (i) penalties and interest related to taxes, (ii) amortization of deferred financing fees, debt issuance costs, discounted liabilities, commissions, fees and expenses, (iii) any expensing of bridge, commitment and other financing fees, (iv) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization accounting or, if applicable, acquisition accounting; *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*

(3) interest income of such Person and its Restricted Subsidiaries for such period.

For purposes of this definition, interest on a Financing Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Issuers to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP .

"Consolidated Net Income " means, with respect to any Person for any period, the aggregate of the Net Income , of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP ; *provided*, *however*, that, without duplication,

(1) any after-tax effect of extraordinary, non-recurring or unusual gains or losses, including costs of and payments of legal settlements, fines, judgments or orders (less all fees and expenses relating thereto) shall be excluded,

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period,

(3) any net after-tax gains, charges or losses with respect to disposed, abandoned, closed or discontinued operations (other than assets held for sale) and any accretion or accrual of discounted liabilities and with respect to facilities or distribution centers that have been closed during such period, shall be excluded,

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions (including asset retirement costs) or returned surplus assets of any employee pension benefit plan other than in the ordinary course of business shall be excluded,

(5) the Net Income for such period of any Person that is not a Subsidiary , or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Issuers shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period by such Person ,

(6) effects of fair value adjustments (including the effects of such adjustments pushed down to the Issuers and their Restricted Subsidiaries) in the merchandise inventory, property and equipment, goodwill, intangible assets, deferred revenue, deferred rent, deferred franchise fees and debt line items in such Person 's consolidated financial statements pursuant to GAAP resulting from the application of acquisition accounting in relation to any consummated acquisition and the amortization or write-off or removal of revenue otherwise recognizable of any amounts thereof, net of taxes, shall be excluded or added back in the case of lost revenue,

(7) any after-tax effect of income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments shall be excluded,

(8) any impairment charge or asset write-up, write-off or write-down, in each case, pursuant to GAAP and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(9) any non-cash compensation charge or expense, including any such charge or expense arising from the grant of stock appreciation or similar rights, stock options, restricted stock or other equity incentive programs shall be excluded,

(10) any fees and expenses incurred during such period, or any amortization or write- off thereof for such period in connection with any acquisition, Investment, Asset Sale , issuance or repayment of Indebtedness , issuance of Equity Interests , refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(11) any net gain or loss resulting from currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from hedge agreements for currency exchange risk) and any foreign currency translation gains or losses shall be excluded,

(12) the excess of (i) GAAP rent expense over (ii) actual cash rent paid, including the benefit of lease incentives shall be excluded and the excess of (i) actual cash rent paid, including the benefit of lease incentives, over (ii) GAAP rent expense shall be included (in each case during such period due to the use of straight line rent for GAAP purposes), and

(13) any unrealized net gains and losses resulting from Hedging Obligations and the application of Statement of Financial Accounting Standards No. 133 shall be excluded.

In addition, to the extent not already included in the Net Income of such Person and its Restricted Subsidiaries , notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any Permitted Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Indenture .

"Consolidated Total Debt Ratio " means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Issuers and their Restricted Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur to (2) the Issuers ' EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur, in each case with such *pro forma* adjustments to Consolidated Total Indebtedness and EBITDA as are appropriate and consistent with the *pro forma* effect and adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio ".

"Consolidated Total Indebtedness " means, as at any date of determination, an amount equal to (x) the sum of (1) the aggregate amount of all Indebtedness of the Issuers and their Restricted Subsidiaries on a consolidated basis then outstanding, (2) the aggregate undrawn amount under the ABL Credit Agreement then outstanding and (3) the aggregate amount of all Disqualified Stock of the Issuers and all Preferred Stock of their Restricted Subsidiaries on a consolidated basis then outstanding, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP ; *provided* that Indebtedness of the Issuers and their Restricted Subsidiaries under any revolving credit facility (excluding, for the avoidance of doubt, in the case of the ABL Credit Agreement) as at any date of determination shall be determined using the Average Monthly Balance of such Indebtedness for the most recently ended four fiscal quarters for which internal financial statements are available as of such date of determination (the "Reference Period "). For purposes hereof, (a) the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified

Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to this Indenture , and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock , such fair market value shall be determined reasonably and in good faith by the Issuers , (b)

"Average Monthly Balance " means, with respect to any Indebtedness incurred by the Issuers or their Restricted Subsidiaries under a revolving credit facility, the quotient of (x) the sum of each Individual Monthly Balance for each fiscal month ended on or prior to such date of determination and included in the Reference Period divided by (y) 12, and (c) "Individual Monthly Balance " means, with respect to any Indebtedness incurred by the Issuers or their Restricted Subsidiaries under a revolving credit facility during any fiscal month of the Issuers , the quotient of (x) the sum of the aggregate outstanding principal amount of all such Indebtedness at the end of each day of such fiscal month divided by (y) the number of days in such fiscal month.

"Contingent Obligations " means, with respect to any Person , any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person , whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) 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; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Facilities " means, with respect to the Issuers or any of their Restricted Subsidiaries , one or more debt facilities, including the ABL Credit Agreement and any other financing arrangements (including, without limitation, commercial paper facilities, note purchase agreements or indentures) providing for revolving credit loans, term loans, letters of credit, bank guarantees, notes, debt securities or other indebtedness for borrowed money, including any mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any debt facilities, credit facilities, commercial paper facilities, note purchase agreements, indentures or other financing arrangements that replace, refund, supplement or refinance any part of the loans, notes, credit facilities, commitments or other indebtedness thereunder, including any such replacement, refunding, supplemental or refinancing facility, arrangement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof.

"Debt Documents " means this Indenture , the Securities , the Security Documents and the Intercreditor Agreements .

"Default " means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default ; *provided* that any Default that results solely from the taking of an

action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default .

"Depositary " means, with respect to the Securities issuable or issued in whole or in part in global form, the Person specified in Section 2.04 hereof as the Depositary with respect to the Securities , and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture .

"Disqualified Stock " means, with respect to any Person , any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise or is redeemable at the option of the holder thereof (in each case other than solely as a result of a change of control or asset sale; *provided* that the relevant change of control or asset sale provisions, taken as a whole, are no more favorable to holders of such Capital Stock than the change of control and asset sale provisions applicable to the Securities and any purchase requirement triggered thereby may not become operative until (or contemporaneously with) compliance with the asset sale and change of control provisions applicable to the Securities (including the purchase of any Securities tendered pursuant thereto)), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Securities or the date the Securities are no longer outstanding; *provided*, *further*, that if such Capital Stock is issued to any current or former employee or to any plan for the benefit of employees, directors, officers, members of management or consultants of the Issuers or their Subsidiaries or by any such plan to such employees, directors, officers, members or management or consultants, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuers or their Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability.

"Domestic Subsidiaries " shall mean all Subsidiaries of the Issuers incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

"EBITDA " means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including, without limitation, state, franchise, property and similar taxes and foreign withholding taxes and foreign unreimbursed value added taxes (including, in each case, penalties and interest related to such taxes or arising from tax examinations) of or with respect to such Person paid or accrued during such period deducted (and not added back) in computing Consolidated Net Income (including the amount treated as having been paid by such Person s pursuant to Section 4.04(b)(iv)); *plus*

(b) Fixed Charges of such Person for such period plus bank fees and costs of surety bonds in connection with financing activities, plus amounts excluded from Consolidated Interest Expense as set forth in clauses (i), (ii), (iii), and (iv) in the definition thereof, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income ; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same was deducted (and not added back) in computing Consolidated Net Income ; *plus*

(d) any expenses or charges (other than depreciation or amortization expense) related to any offering of Qualified Capital Stock , Permitted Investment , acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by this Indenture (including a refinancing thereof) (whether or not successful), in each case, deducted (and not added back) in computing Consolidated Net Income to the extent the aggregate amount of all such expenses and charges for such period does not exceed $2,500,000; *plus*

(e) the amount of any restructuring costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings initiatives, operating expense reductions, business optimization and other restructuring costs, charges, accruals, reserves and expenses (including, without limitation, inventory optimization programs, software development costs, costs related to entry into new markets and consulting fees), to the extent the aggregate amount of all such costs, charges, accruals, reserves or expenses for such period does not exceed $2,500,000; *plus*

(f) any other non-cash charges, including (i) any write offs or write downs, (ii) equity based awards compensation expense, (iii) losses on sales, disposals or abandonment of, or any impairment charges or asset write off related to, intangible assets, long-lived assets and investments in debt and equity securities, (iv) all losses from investments recorded using the equity method and (v) other non-cash charges, non-cash expenses or non-cash losses reducing Consolidated Net Income for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

(g) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income ; *plus*

(h) any net loss from disposed or discontinued operations; *plus*

(i) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing EBITDA or Net Income in any period to the extent non- cash gains relating to such income were deducted in the calculation of EBITDA pursuant to clause (2) below for any previous period and not added back,

(2) decreased (without duplication) by:

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced EBITDA in any prior period and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase EBITDA in such prior period, *plus*

(b) any net gain from discontinued operations or net gains from the disposal of discontinued operations, each to the extent increasing Consolidated Net Income ; and

(3) increased or decreased by (without duplication), as applicable, any adjustments resulting from the application of ASC Topic Number 460 (Guarantee s).

"Equity Interests " means Capital Stock and all warrants, options or other rights to acquire Capital Stock , but excluding any debt security that is convertible into, or exchangeable for, Capital Stock .

"Exchange Act " means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Fair Market Value " means the price which could be negotiated in an arm's-length, free market transaction between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction, as reasonably determined in good faith (x) by senior management of the Issuers or (y), for determinations in excess of $1.0 million, the Board of Directors of Anagram LLC and evidenced by a Board Resolution.

"Financing Lease Obligation " means, at the time any determination thereof is to be made, an obligation that is required to be accounted for as a finance lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP , including, without limitation, Accounting Standards Codification 842 and related accounting rules and regulations, as such may be amended or re-codified from time to time, which obligation effectively transfers control of the underlying asset and constitutes an in-substance financed purchase of an asset; *provided* that the amount of any Financing Lease Obligation shall be the amount thereof accounted for as a liability in accordance with GAAP ; and *provided*, *further* and for avoidance of doubt, the term "Financing Lease Obligation " does not include obligations under any operating leases that do not effectively transfer control of the underlying asset and do not represent an in- substance financed purchase of an asset under GAAP , including, without limitation, Accounting Standards Codification 842 and related accounting rules and regulations, as such may be amended or re- codified from time to time, notwithstanding that GAAP and such accounting rules and regulations, such as Accounting Standards Codification 842, may require that such obligations be recognized on the balance sheet of such Person as a lease liability (along with the related right-of-use asset).

"First Lien " means a senior-priority Lien on the Collateral , subject to the First Lien /Second Lien Intercreditor Agreement .

"First Lien /Second Lien Intercreditor Agreement " means that certain first lien/second lien intercreditor agreement in substantially the form of Exhibit D, dated as of the date hereof, by and between the Collateral Trustee and Ankura Trust Company , LLC, as first priority collateral trustee for the first priority secured parties, and, from time to time, any other representative or agent of each class of the secured parties party thereto.

"First Lien Indenture " has the meaning set forth in the preamble.

"First Lien Notes " has the meaning set forth in the preamble.

"First Lien Obligation " means any Obligations secured by a First Lien (other than any ABL Obligation).

"First Lien Secured Parties " means the "Secured Parties " as defined in the First Lien Indenture .

"Fixed Charge Coverage Ratio " means, with respect to any Person for any period, the ratio of (a) the result of (i) EBITDA of such Person for such period *minus* (ii) the sum of (A) all Capital Expenditures made by such Person and its Subsidiaries during such period and (B) all income taxes paid or payable by such Person and its Subsidiaries during such period (including any amount treated as having been paid by such Person and its Subsidiaries pursuant to Section 4.04(b)(iv) during 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 (to the extent there is an equivalent permanent reduction in the commitments thereunder) and (ii) all Fixed Charges of such Person for such period. In the event that either of the Issuers or any Restricted Subsidiary incurs, assumes, guarantees, repurchases, redeems, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date "), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repurchase, redemption, retirement or extinguishment of Indebtedness , or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock , as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments , acquisitions, dispositions, amalgamations, mergers, consolidations and discontinued operations (as determined in accordance with GAAP) and any operational changes that the Issuers or any of their Restricted Subsidiaries have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments , acquisitions, dispositions, amalgamations, mergers, consolidations, discontinued operations and operational changes (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into either of the Issuers or any of their Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, amalgamation, merger, consolidation, discontinued operation or operational change that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Investment, acquisition, disposition, amalgamation, merger, consolidation, discontinued operation or operational change, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuers . If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Financing Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuers to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP . Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate

chosen as the Issuers may reasonably designate in good faith. Interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such indebtedness during the applicable period.

For purposes of this definition, any amount in a currency other than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Fixed Charges " means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign Subsidiary " means (1) any Guarantor that is not a Domestic Subsidiary and (2) any Restricted Subsidiary of such Guarantor .

"GAAP " means generally accepted accounting principles in the United States which are in effect on the Issue Date . For purposes of this Indenture , the term "consolidated" with respect to any Person means such Person consolidated with its Restricted Subsidiaries .

"Government Securities " means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"Grantor Supplement " means a supplement to the Security Agreement substantially in the form of Exhibit H attached to the Security Agreement .

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit

and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Guarantee " means the guarantee by any Guarantor of the Issuers ' Obligations under this Indenture and the Securities .

"Guarantor " means each Restricted Subsidiary that Guarantee s the Securities in accordance with the terms of this Indenture . On the Issue Date , Anagram International Holdings, Inc. will be the sole Guarantor .

"Hedging Obligations " means, with respect to any Person , the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

"Holder " means the Person in whose name a Security is registered on the registrar's books.

"Immaterial Subsidiary " means, with respect to the Issuers , any Subsidiary designated in good faith by the Board of Directors and evidenced by a Board Resolution as an Immaterial Subsidiary . At the time of designation as an Immaterial Subsidiary each such Subsidiary must have total assets with a Fair Market Value of less than $1.0 million. The Fair Market Value of the total assets of all Immaterial Subsidiaries of the Issuers , in the aggregate, may not exceed $2.0 million at any time. If at any time and from time to time after the Issue Date , the Fair Market Value of the total assets of any Immaterial Subsidiary of the Issuer exceeds $1.0 million (or all Immaterial Subsidiaries of the Issuers , in the aggregate, exceeds $2.0 million), then the Issuers shall promptly designate in writing to the Collateral Trustee that such Subsidiary is (or one or more of such Subsidiaries are) no longer an Immaterial Subsidiary for purposes of this Indenture to the extent required such that the foregoing conditions cease to be true.

"Indebtedness " means, with respect to any Person , without duplication:

(1) any indebtedness (including principal and premium) of such Person , whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Financing Lease Obligation s), except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation, in each case accrued in the ordinary course of business, (ii) any earn- out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and is not paid after becoming due and payable, and
(iii) any such obligations under ERISA or liabilities associated with customer prepayments; or

(d) representing any Hedging Obligations ;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit (other than commercial letters of credit) and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP ;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person , whether or not such Indebtedness is assumed by such first Person ; *provided, however*, that the amount of such Indebtedness will be the lesser of: (i) the Fair Market Value of such asset at such date of determination, and (ii) the amount of such Indebtedness of such other Person ;

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business and (2) deferred or prepaid revenues.

Notwithstanding anything in this Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Accounting Standards Codification Topic 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness ; and any such amounts that would have constituted Indebtedness under this Indenture but for the application of this sentence shall not be deemed an incurrence of Indebtedness under this Indenture .

"Indenture " means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor " means an accounting, appraisal, investment banking firm or consultant, in each case of nationally recognized standing that is, in the good faith reasonable judgment of the Issuers , qualified to perform the task for which it has been engaged.

"Intercreditor Agreements " means, collectively, (a) the First Lien /Second Lien Intercreditor Agreement and (b) the ABL Intercreditor Agreement , each as amended, restated, modified or supplemented from time to time in accordance with the terms of this Indenture and such Intercreditor Agreement.

"Intra-Company Agreements " means (a) the services agreement for the provision of corporate services by Party City Holdco Inc. or its affiliates to the Company , (b) the product purchase agreement for the purchases of products from the Company by Party City Holdco Inc. or its affiliates and

(c) the intellectual property license agreement among Party City, its affiliates and the Company , in each case, as amended from time to time.

"Investment Grade Rating " means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P , or, in either case, an equivalent rating by any other Rating Agency.

"Investment Grade Securities " means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities or instruments with an Investment Grade Rating , but excluding any debt securities or instruments constituting loans or advances among the Issuers and their Subsidiaries ; and

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution.

"Investments " means, with respect to any Person , all investments by such Person in other Person s (including Affiliate s) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, reasonable travel and similar advances to officers, directors, distributors, consultants and employees, in each case made in the ordinary course of business and consistent with past practice), purchases or other acquisitions for consideration of Indebtedness , Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes thereto) of the Issuers in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. The amount of any Investment shall be deemed to be the amount actually invested, without adjustment for subsequent increases or decreases in value or any write-downs or write-offs, but giving effect to any repayments thereof in the form of loans and any return on capital or return on Investment in the case of equity Investments (whether as a distribution, dividend, redemption or sale but not in excess of the amount of such Investment).

"Issue Date " means July 30, 2020.

"Issuers " means the parties named as such in the preamble and successors thereto.

"Legal Holiday " means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or in the State at the place of payment. If a payment date at a place of payment is on a Legal Holiday , payment shall be made at that place on the next succeeding Business Day , and no interest shall accrue on such payment for the intervening period.

"Lien " means, with respect to any asset, any mortgage, lien, deed of trust, hypothecation, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement), any lease in the nature thereof; *provided* that in no event shall an operating lease be deemed to constitute a Lien .

"Mandatory AHYDO Catch-Up Payment " has the meaning set forth in Section 3.10(b).

"Moody's " means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Income " means, with respect to any Person , the net income (loss) of such Person , determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds " means the aggregate proceeds received by the Issuers or any of their Restricted Subsidiaries in respect of any Asset Sale , net of the direct costs relating to such Asset Sale , including legal, accounting and investment banking fees, payments made in order to obtain a necessary

consent or required by applicable law, and brokerage and sales commissions, all dividends, distributions or other payments required to be made to minority interest holders in Restricted Subsidiaries that are not Guarantor s as a result of any such Asset Sale by such Restricted Subsidiary , the amount of any purchase price or similar adjustment claimed by any Person to be owed by the Issuers or any Restricted Subsidiary as a result of such Asset Sale , until such time as such claim shall have been settled or otherwise finally resolved, or paid or payable by the Issuers or any Restricted Subsidiary , in either case, in respect of such Asset Sale , any relocation expenses incurred as a result thereof, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Indenture (including taxes that are or would be imposed on the distribution or repatriation of any such Net Proceeds) (after taking into account any available tax credits or deductions and any tax sharing arrangements directly relating to such Asset Sale), amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Indebtedness under the Debt Documents and Subordinated Indebtedness) secured by a Lien on the assets disposed of required to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Issuers or any of their Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuers or any of their Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"Obligations " means any principal, accrued but unpaid interest (including PIK Interest and any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), penalties, premiums, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness .

"Offering Memorandum " means the exchange offer memorandum and consent solicitation statement relating to the Second Lien Notes , dated June 26, 2020.

"Officer " means the Chairman of the Board, the Chief Executive Officer , the Chief Financial Officer , the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Issuers .

"Officer 's Certificate " means a certificate signed on behalf of the Issuers by an Officer of each of the Issuers which meets the requirements set forth in this Indenture and is delivered to the Trustee .

"Opinion of Counsel " means a written opinion from legal counsel who is reasonably acceptable to the Trustee , which meets the requirements set forth in this Indenture . The counsel may be an employee of or counsel to the Issuers .

"Parent " has the meaning set forth in the preamble.

"Paying Agent " means an office or agency maintained by the Issuers pursuant to the terms of this Indenture , where Securities may be presented for payment.

"Permitted Holder s " means (i) members of the Ad Hoc Group (as such term is defined in the Offering Memorandum) and (ii) any group (within the meaning of Section 13(d)(3) or Section

14(d)(2) of the Exchange Act or any successor provision) of which any of the Ad Hoc Group are members. Any person or group whose acquisition of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act , or any successor provision) constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of Section 4.08 (or would result in a Change of Control Offer in the absence of the waiver of such requirement by Holder s in accordance with Section 4.08) shall thereafter, together with its Affiliate s, constitute an additional Permitted Holder .

"Permitted Investment " means:

(1) any Investment in the Issuers or any Guarantor ;

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities and Investments that were Cash Equivalents or Investment Grade Securities when made;

(3) any Investment by the Issuers or any of their Restricted Subsidiaries in any Person listed on Schedule 2 hereto if as a result of such Investment:

(a) such Person becomes a Guarantor ; or

(b) such Person , in one transaction or a series of related transactions, is merged, amalgamated or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuers or a Guarantor ,

and, in each case, any Investment held by such Person ; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;

(4) any Investment in securities or other assets not constituting cash, Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 4.06(a) or any other disposition of assets not constituting an Asset Sale ;

(5) any Investment existing on the Issue Date and listed on Schedule 2 hereto; *provided* that the amount of any such Investment may not be increased above the amount outstanding on the Issue Date unless otherwise permitted under this Indenture ;

(6) any Investment acquired by the Issuers or any of its Restricted Subsidiaries :

(a) in exchange for any other Investment or accounts receivable held by the Issuers or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with or judgments against, the issuer of such other Investment or accounts receivable;

(b) as a result of a foreclosure by the Issuers or any of their Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Person s who are not Affiliate s; or

(d) in settlement of debts created in the ordinary course of business;

(7) Hedging Obligations permitted under Section 4.03(b)(ix);

(8) Investments the payment for which consists of Equity Interests (exclusive of Disqualified Stock) of the Issuers , or any of their direct or indirect parent companies;

(9) guarantees (including Guarantee s) of Indebtedness of the Issuer or any Restricted Subsidiary permitted under Section 4.03, including, without limitation, any guarantee or other obligation issued or incurred under the ABL Credit Agreement in connection with any letter of credit issued for the account of the Issuer or any of its Subsidiaries (including with respect to the issuance of, or payments in respect of drawings under, such letters of credit) and performance guarantees that are Contingent Obligations in the ordinary course of business;

(10) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(11) Investments , taken together with all other Investments made pursuant to this clause (11), in an aggregate amount not to exceed $4.0 million in any one year period following the Issue Date (with unused amounts carried over to subsequent one year periods); *provided* (i) that any Investments made pursuant to this clause (11) (a) shall be made in the form of cash or Cash Equivalents ,
(b) shall be made in a Person engaged in a Similar Business , (c) shall not be made in connection with a restructuring or recapitalization of the Issuers or any Guarantor and (d) shall not be in the form of any contribution of assets (tangible or intangible) or loan to (or guarantee on behalf of) any Affiliate of the Issuer or any Guarantor , and (ii) that if any Investment pursuant to this clause (11) is made in any Person that is not a Restricted Subsidiary of the Issuers at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (5) above and shall cease to have been made pursuant to this clause (11);

(12) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course;

(13) Investments in any Restricted Subsidiary in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(14) Investments in the ordinary course of business consisting of (x) Uniform Commercial Code Article 3 endorsements for collection or deposit and (y) Article 4 customary trade arrangements with customers that are not Affiliate s of the Issuers or any Restricted Subsidiary and otherwise consistent with past practices;

(15) the Securities and the related Guarantee s; and

(16) guarantees of leases (other than capital leases) or of other obligations not constituting Indebtedness in favor of Person s who are not Affiliate s of the Issuers or any Restricted Subsidiary , in each case in the ordinary course of business.

"Permitted Lien s " means, with respect to any Person :

(1) (a) (i) pledges, deposits or security by such Person under workmen's compensation laws, unemployment insurance, employers' health tax and other social security laws or similar legislation

or regulations, health, disability or other employee benefits or property and deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits and other Lien s securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Issuers or any Subsidiary ; or (b) Lien s, pledges and deposits in connection with bids, tenders, contracts (other than for Indebtedness for borrowed money) or leases, statutory obligations, surety, customs, bid and appeal bonds, performance and return of money bonds, bids, leases, government contracts, trade contracts, agreements with utilities, performance and completion guarantees and other obligations of a like nature (including letters of credit in lieu of any such items or to support the issuance thereof), in each case of clauses (a) and (b) above, incurred in the ordinary course of business to secure health, safety and environmental obligations and obligations in respect of letters of credit or bank guarantees that have been posted to support payment of the items described in this clause (1);

(2) Lien s imposed by law, such as landlord's, carriers', warehousemen's, materialmen's, repairmen's, construction and mechanics' Lien s, in each case so long as such Lien s arise in the ordinary course of business and secure amounts not overdue for a period of more than 30 days or, if more than 30 days overdue either (i) such amounts are being contested in good faith by appropriate actions or other Lien s arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP or (iii) with respect to which the failure to make payment could not reasonably be expected to have a material adverse effect;

(3) Lien s for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or, if overdue by more than 30 days, such taxes, assessments or other governmental charges (i) are being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP , or (ii) are taxes, assessments or other governmental charges with respect to which the failure to make payment could not reasonably be expected to have a material adverse effect;

(4) Lien s in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice prior to the Issue Date ;

(5) minor survey exceptions, minor encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Lien s incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially impair their use in the operation of the business of such Person ;

(6) Lien s existing on the Issue Date and listed on Schedule 4 hereto;

(7) Lien s securing Indebtedness permitted to be incurred pursuant to clause (xviii) (b) of Section 4.03(b) and existing on property or shares of stock of a Person at the time such Person becomes a Subsidiary in accordance with the provisions of this Indenture ; *provided*, *however*, such Lien s are not created or incurred in connection with, or in contemplation of, such other Person becoming such a

Subsidiary ; *provided*, *further*, *however*, that such Lien s may not extend to any other property owned by the Issuers or any of their Restricted Subsidiaries ;

(8) Lien s securing Indebtedness permitted to be incurred pursuant to clause (xviii) (b) of Section 4.03(b) and existing on property at the time the Issuers or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuers or any of their Restricted Subsidiaries ; *provided*, *however*, that such Lien s are not created or incurred in connection with, or in contemplation of, such acquisition, merger, amalgamation or consolidation; *provided*, *further*, *however*, that the Lien s may not extend to any other property owned by the Issuers or any of their Restricted Subsidiaries ;

(9) Lien s securing Indebtedness (A) permitted to be incurred pursuant to clause (iv) of Section 4.03(b); *provided* that such Lien s do not extend to any property or assets that are not property being purchased, leased, constructed or improved with the proceeds of such Indebtedness being incurred pursuant to clause (iv) of Section 4.03(b) except that individual financings of equipment provided by one lender may be cross-collateralized to other financings of equipment provided by such lender, and (B) in an amount not to exceed $5.0 million at any one time outstanding;

(10) Lien s securing Hedging Obligations so long as the related Indebtedness is permitted to be incurred under this Indenture ;

(11) Lien s on specific items of inventory or other goods and proceeds of any Person securing such Person 's obligations in respect of bankers' acceptances, a bank guarantee or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(12) leases, subleases, licenses or sublicenses, grants or permits (including with respect to intellectual property and software) granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of the Issuers or any of their Restricted Subsidiaries and the customary rights reserved or vested in any Person by the terms of any lease, sublease, license, sublicense, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(13) Lien s arising from Uniform Commercial Code (or equivalent statutes) financing statement filings regarding operating leases, consignments or accounts in connection with any transaction otherwise permitted under this Indenture ;

(14) Lien s in favor of the Issuers or any Guarantor ;

(15) Lien s on equipment of the Issuers or any of their Restricted Subsidiaries granted in the ordinary course of business to the Issuers ' clients that are not Affiliate s of the Issuers or any Restricted Subsidiary ;

(16) Lien s to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (7), (8), and this clause (16) hereof; *provided*, *however*, that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) and proceeds and products thereof, (b) such new Lien shall have the same Lien priorities as the prior Lien , and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount

of the Indebtedness described under clauses (6), (7), (8) and this clause (16) hereof at the time the original Lien became a Permitted Lien under this Indenture , and (ii) an amount necessary to pay any fees (including original issue discount, upfront fees or similar fees) and expenses, including premiums (including tender premiums and accrued and unpaid interest (including PIK Interest , if any)), penalties or similar amounts, related to such modification, refinancing, refunding, extension, renewal or replacement;

(17) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(18) Lien s securing judgments for the payment of money not constituting an Event of Default under Section 6.01(e) so long as such Lien s are, adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(19) Lien s in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(20) Lien s (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(21) Lien s deemed to exist in connection with Investments in repurchase agreements or other Cash Equivalents permitted under Section 4.03; *provided* that such Lien s do not extend to any assets other than those that are the subject of such repurchase agreement or other Cash Equivalent;

(22) Lien s encumbering reasonable customary initial deposits and margin deposits and similar Lien s attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(23) Lien s that are contractual rights of set-off (i) relating to the establishment of depository relations in the ordinary course of business with banks and not given in connection with the issuance of Indebtedness , (ii) relating to pooled deposit or sweep accounts of the Issuers or any of their Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuers and their Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Issuers or any of their Restricted Subsidiaries in the ordinary course of business;

(24) Lien s solely on any cash earnest money deposits made by the Issuers or any of their Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Indenture ;

(25) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Issuers or any of their Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(26) restrictive covenants affecting the use to which real property may be put entered into in the ordinary course of business; *provided*, *however*, that the covenants are complied with;

(27) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(28) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements and contract zoning agreements;

(29) Lien s arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Issuers or any Restricted Subsidiary in the ordinary course of business;

(30) (i) customary transfer restrictions and purchase options in joint venture and similar agreements permitted under this Indenture , (ii) Lien s on Equity Interests in joint ventures securing obligations of such joint ventures permitted under this Indenture and (iii) customary rights of first refusal and tag, drag and similar rights in joint venture agreements entered into in the ordinary course of business and permitted under this Indenture , including, without limitation, in all such cases pursuant to clauses (i) through (iii), with respect to Convergram de Mexico S. de R.L.;

(31) (i) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business, (ii) Lien s arising out of conditional sale, title retention or similar arrangements for the sale of goods in the ordinary course of business and (iii) Lien s arising by operation of law under Article 2 of the Uniform Commercial Code ;

(32) Lien s securing (i) the Securities and Guarantee s of the Securities and (ii) the First Lien Notes and Guarantee s (as defined in the First Lien Indenture) of the First Lien Notes , so long as any such Lien s on the First Lien Notes are subject to the terms of the First Lien /Second Lien Intercreditor Agreement ;

(33) Lien s securing obligations in respect of (x) Indebtedness and other obligations permitted to be incurred under any Credit Facilities , including any letter of credit facility relating thereto, that was permitted by the terms of this Indenture to be incurred pursuant to clause (i) of Section 4.03(b) or any Refinancing Indebtedness in respect thereof) and (y) obligations of the Issuers or any Guarantor in respect of any Bank Products or Cash Management Services provided by any lender party to any Credit Facility or any affiliate of such lender (or any Person that was a lender or an affiliate of a lender at the time the applicable agreements pursuant to which such Bank Products or Cash Management Services are provided were entered into); *provided*, *however*, that (i) any such Lien on Collateral other than ABL Priority Collateral will be junior to the Lien s with respect to Secured Obligations and (ii) any such Lien shall be subject to the ABL Intercreditor Agreement ; *provided*, *further*, that all such Lien s pursuant to clauses (x) and (y) hereof are subject to the limitations contained in the definition of "ABL Credit Agreement " and "ABL Priority Collateral ";

(34) Lien s on cash and Cash Equivalents that are earmarked to be used to defease, redeem, satisfy or discharge Indebtedness ; *provided* (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Person s holding the Indebtedness that is to be defeased, redeemed, satisfied or discharged, (b) such Lien s extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Person s holding the Indebtedness (or any agent or trustee for such Person or Person s) that is to be defeased, redeemed, satisfied or discharged, and (c) the defeasance, redemption, satisfaction or discharge of such Indebtedness is expressly permitted under this Indenture ; and

(35) Lien s securing Indebtedness incurred pursuant to Section 4.03(b)(xvi) or any Refinancing Indebtedness in respect thereof in connection with a Sale and Lease-Back Transaction .

For purposes of this definition, the term "Indebtedness " shall be deemed to include interest on such Indebtedness .

"Person " means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"PIK Interest " has the meaning set forth in Section 2.15 hereof.

"PIK Securities " means additional Second Lien Notes issued under this Indenture on the same terms and conditions as the Second Lien Notes issued on the Issue Date in connection with the payment of PIK Interest . For the avoidance of doubt, the term "PIK Securities " shall not include any increases to the principal amount of the outstanding Global Securities as a result of a payment of PIK Interest .

"Preferred Stock " means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Qualified Capital Stock " means any Capital Stock that is not Disqualified Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Stock and that are not convertible into or exchangeable into Disqualified Stock ; *provided* that such Capital Stock shall not be deemed Qualified Capital Stock to the extent financed, directly or indirectly, using funds borrowed from such Person or any Subsidiary of such Person until and to the extent such borrowing is repaid.

"Rating Agencies " means Moody's and S&P or if Moody's or S&P or both shall not make a rating publicly available, a nationally recognized statistical rating agency or agencies, as the case may be.

"Restricted Investment " means an Investment other than a Permitted Investment .

"Restricted Subsidiary " means, at any time, any direct or indirect Subsidiary of the Issuers .

"S&P " means S&P Global Ratings and any successor to its rating agency business.

"Sale and Lease-Back Transaction " means any arrangement providing for the leasing by the Issuers or any of their Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuers or such Restricted Subsidiary to a third Person in contemplation of such leasing to which funds have been or are to be advanced by such third Person on the security of the leased property; provided that in connection with any Sale and Lease-Back Transaction , an Issuer or such Restricted Subsidiary shall have received cash proceeds in an amount equal to or greater than the Fair Market Value of such property so sold or transferred on terms at least as favorable to such Issuer or such Restricted Subsidiary as could be obtained on an arm's length basis from a non-Affiliate , as reasonably determined by the board of directors of Anagram LLC in good faith.

"SEC " means the U.S. Securities and Exchange Commission.

"Second Lien Notes " has the meaning set forth in the preamble.

"Secured Indebtedness " means any Indebtedness of the Issuers or any of their Restricted Subsidiaries , as applicable, secured by a Lien .

"Secured Obligations " has the meaning set forth in the Security Agreement .

"Secured Parties " has the meaning set forth in the Security Agreement .

"Securities " has the meaning given to such term in the preamble.

"Securities Act " means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security Agreement " means that certain Second Lien Pledge and Security Agreement , dated as of the date hereof, by and among the Issuers , the Guarantor s, as grantors, and the Collateral Trustee , as amended, restated, amended and restated, supplemented, renewed, replaced or otherwise modified, in whole or part, from time to time, in accordance with its terms.

"Security Documents " means the Security Agreement and any one or more additional security agreements, pledge agreements, intellectual property security agreements, collateral assignments, intellectual property security agreements, mortgages, deeds of covenants, assignments of earnings and insurances, share pledges, share charges, collateral agency agreements, deeds of trust or other grants or transfers for security executed and delivered by the Issuers or the Guarantor s to be entered into on the Issue Date for such Issuer or Guarantor , creating, or purporting to create, a Lien upon all or a portion of the Collateral in favor of the Collateral Trustee for the benefit of the Secured Parties , in each case as amended, restated, amended and restated, supplemented, renewed, replaced or otherwise modified, in whole or part, from time to time, in accordance with its terms.

"Security Register " means the register of Securities , maintained by the Registrar , pursuant to Section 2.04 hereof.

"Significant Subsidiary " means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S -X, promulgated pursuant to the Securities Act , as such regulation is in effect on the Issue Date .

"Similar Business " means any business conducted by the Issuers and its Restricted Subsidiaries on the Issue Date or any business that is a reasonable extension, development or expansion of any of the foregoing or is similar, reasonably related, incidental or ancillary thereto (including, for the avoidance of doubt, any sourcing companies created in connection with any of the foregoing).

"Subordinated Indebtedness " means, with respect to the Securities ,

(1) any Indebtedness of the Issuers which is by its terms subordinated in right of payment to the Securities , and

(2) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Securities .

"Subsidiary " means, with respect to any Person :

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting

power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof or is consolidated under GAAP with such Person at such time; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Treasury Rate " means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Day s prior to the redemption date (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to August 15, 2022; *provided*, *however*, that if the period from the redemption date to August 15, 2022 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trust Indenture Act " means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb).

"Trust Officer " means:

(1) any officer within the corporate trust department of the Trustee , including any vice president, assistant vice president, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Person s who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person 's knowledge of and familiarity with the particular subject, and

(2) who shall have direct responsibility for the administration of this Indenture .

"Trustee " means the party named as such in the preamble until a successor replaces it and, thereafter, means the successor.

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

"Unrestricted Cash " means, as of any date of determination, with respect to the Issuers and their Subsidiaries on a consolidated basis, all cash and Cash Equivalents of such Person s, as of the date of such determination (i) that is not pledged as performance collateral or bid bond collateral, (ii) that is not deposited in any account that is blocked and not accessible to the Issuers or any of their Subsidiaries following the occurrence of an event of default or other enforcement action under any financing or security document to which the Issuers or such Subsidiary is a party (other than pursuant to

the Security Documents), and (iii) that would not be designated as "restricted" on a consolidated balance sheet in accordance with GAAP .

"Voting Stock " of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person .

"Weighted Average Life to Maturity " means, when applied to any Indebtedness , Disqualified Stock or Preferred Stock , as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments;

provided, that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness "), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Wholly-Owned Subsidiary " of any Person means a Subsidiary of such Person , 100% of the outstanding Equity Interests of which (other than directors' qualifying shares and shares issued to foreign nationals as required under applicable law) shall at the time be directly or indirectly owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person or by such Person and one or more Wholly-Owned Subsidiaries of such Person .

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Additional Interest "	2.12
"Affiliate Transaction "	4.07(a)
"Asset Sale Offer "	4.06(b)
"Asset Sale Offer Threshold "	4.06(b)
"Change of Control Offer "	4.08(a)
"Change of Control Payment "	4.08(a)
"Change of Control Payment Date "	4.08(b)(ii)
"Clearstream "	Appendix A
"covenant defeasance option"	8.01(2)
"Definitive Security "	Appendix A
"Depository "	Appendix A
"DTC "	1.04(h)
"Euroclear "	Appendix A
"Event of Default "	6.01
"Global Securities "	Appendix A
"Global Securities Legend "	Appendix A
"Guarantee d Obligations "	10.01(a)
"IAI "	Appendix A
"incur"	4.03(a)
"legal defeasance option"	8.01(2)

"OID Legend "	Appendix A
"Payment Default "	2.12
"protected purchaser"	2.08
"QIB "	Appendix A
"Refinancing Indebtedness "	4.03(b)(xi)
"Registrar "	2.04(a)
"Regulation S "	Appendix A
"Regulation S Global Securities "	Appendix A
"Regulation S Permanent Global Security "	Appendix A
"Regulation S Securities "	Appendix A
"Regulation S Temporary Global Security "	Appendix A
"Restricted Payments "	4.04(a)
"Restricted Period "	Appendix A
"Restricted Securities Legend "	Appendix A
"Rule 144A "	Appendix A
"Rule 144A Global Securities "	Appendix A
"Rule 144A Securities "	Appendix A
"Rule 501 "	Appendix A
"Securities Custodian "	Appendix A
"Successor Company "	5.01(a)(i)
"Successor Person "	5.01(b)(i)
"Tax Group "	4.04(b)(iv)
"Transfer Restricted Securities "	Appendix A
"Unrestricted Definitive Security "	Appendix A
"Unrestricted Global Security"	Appendix A

SECTION 1.03. Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP ;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular;

(f) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness , and senior Indebtedness shall not be deemed to be subordinate or junior to any other senior Indebtedness merely by virtue of its junior priority with respect to the same collateral;

(g) "$" and "U.S. dollars" each refer to United States dollars, or such other money of the United States of America that at the time of payment is legal tender for payment of public and private debts;

(h) "consolidated" means, with respect to any Person , such Person consolidated with its Restricted Subsidiaries ;

(i) "will" shall be interpreted to express a command;

(j) provisions apply to successive events and transactions;

(k) unless the context otherwise requires, any reference to an "Appendix," " Article ," "Section ," "clause," "Schedule " or "Exhibit" refers to an Appendix, Article , Section , clause, Schedule or Exhibit, as the case may be, of this Indenture ;

(l) the words "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not any particular Article , Section , clause or other subdivision;

(m) references to sections of, or rules under the Securities Act , the Exchange Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time;

(n) unless otherwise provided, references to agreements and other instruments shall be deemed to include all amendments and other modifications to such agreements or instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Indenture ; and

(o) the Indenture is not qualified under the Trust Indenture Act , and the Trust Indenture Act shall not apply to or in any way govern the terms of this Indenture , including Section 316(b) thereof. No provisions of the Trust Indenture Act are incorporated into this Indenture , other than as referenced for the limited purpose set forth in Section 7.09 hereof.

SECTION 1.04. Acts of Holder s .

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holder s may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holder s in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Issuers . Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee and the Issuers , if made in the manner provided in this Section 1.04.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register .

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Issuers in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Issuers may, at their option, set a record date for purposes of determining the identity of Holder s entitled to give any request, demand, authorization, direction, notice, consent, waiver or take any other act, or to vote or consent to any action by vote or consent authorized or permitted to be given or taken by Holder s , but the Issuers shall have no obligation to do so.

(f) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holder s of each such different part.

(g) Without limiting the generality of the foregoing, a Holder , including the Depositary , may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holder s , and the Depositary may provide its proxy to the beneficial owners of interests in any such Global Security through such Depositary 's standing instructions and customary practices.

(h) The Issuers may fix a record date for the purpose of determining the Person s who are beneficial owners of interests in any Global Security held by The Depository Trust Company ("DTC ") entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holder s . If such a record date is fixed, the Holder s on such record date or their duly appointed proxy or proxies, and only such Person s, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holder s remain Holder s after such record date.

ARTICLE 2

THE SECURITIES

SECTION 2.01. Amount of Securities . The aggregate principal amount of Second Lien Notes that may be authenticated and delivered under this Indenture on the Issue Date is $84,686,977. Subject to the terms of this Indenture , PIK Securities may also be issued after the Issue Date to pay PIK Interest . The Second Lien Notes (including any increase in the principal amount of the Second Lien Notes as a result of a payment of PIK Interest) and any related PIK Securities subsequently issued under this Indenture as a result of payment of PIK Interest will be treated as a single class for all purposes hereunder, including, without limitation, waivers, amendments, redemptions and offers to purchase, and under the Intercreditor Agreements and the Security Documents . Except as specified above, additional securities of the same class as the Securities may not be issued under this Indenture . The Company shall maintain a register of the outstanding principal amount of Second Lien Notes , reflecting any increase on account of PIK Interest thereon, any PIK Securities , and any redemptions or prepayments thereof. Absent manifest error, such register shall be conclusive evidence of the outstanding principal amount of Second Lien Notes . The Trustee shall have no obligation or duty to monitor, determine or inquire as to principal

amounts of the Second Lien Notes on such register and shall have no liability or responsibility for such register.

SECTION 2.02. Form and Dating. Provisions relating to the Securities are set forth in the Appendix, which is hereby incorporated into and expressly made a part of this Indenture . The Securities and the Trustee 's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture . The Securities may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Issuers or any Guarantor is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Issuers). Each Security shall be dated the date of its authentication. The Securities shall be issuable only in registered form without interest coupons and subject to the issuance of PIK Securities as described herein, in minimum denominations of $1.00 and any integral multiples of $1.00 in excess thereof.

SECTION 2.03. Execution and Authentication. On the Issue Date , the Trustee shall authenticate and make available for delivery upon a written order of the Issuers signed by one Officer of each Issuer (an "Authentication Order ") Second Lien Notes for original issue on the Issue Date in an aggregate principal amount of $84,686,977. In addition, subject to the terms of this Indenture , the Trustee shall upon receipt of an Authentication Order authenticate and deliver any PIK Securities issued after the Issue Date to pay PIK Interest . Such Authentication Order shall specify the amount of the Securities to be authenticated and the date on which the issue of Securities is to be authenticated, the registered holder of each of the Securities and delivery instructions. It is understood that, notwithstanding anything to the contrary in this Indenture , only an Authentication Order and an Officer 's Certificate and not an Opinion of Counsel is required for the Trustee to authenticate Securities .

One Officer shall sign the Securities for each of the Issuers by manual, facsimile or PDF signature.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be entitled to any benefit under this Indenture or valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture .

The Trustee may appoint one or more authenticating agents (an "Authenticating Agent ") reasonably acceptable to the Issuers to authenticate the Securities . Unless limited by the terms of such appointment, an Authenticating Agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An Authenticating Agent has the same rights as any Registrar , Paying Agent or agent for service of notices and demands.

The terms and provisions contained in the Securities shall constitute, and are expressly made, a part of this Indenture and, to the extent applicable, the Issuers , the Guarantor s and the Trustee , by their execution and delivery of this Indenture , expressly agree to such terms and provisions and agree to be bound thereby.

SECTION 2.04. Registrar and Paying Agent .

(a) The Issuers shall maintain (i) an office or agency where Securities may be presented for registration of transfer or for exchange (the "Registrar ") and (ii) a Paying Agent . The

Registrar shall keep a register of the Securities and of their transfer and exchange. The Issuers may have one or more co-registrars and one or more additional paying agents. The term "Registrar " includes any co-registrars. The term "Paying Agent " includes the Paying Agent and any additional paying agents. The Issuers initially appoint the Trustee as Registrar , Paying Agent and the Securities Custodian with respect to the Global Securities . The Issuers initially appoint DTC to act as Depositary with respect to the Global Securities .

(b) The Issuers shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture . The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuers shall notify the Trustee in writing of the name and address of any such agent. If the Issuers fail to maintain a Registrar or Paying Agent , the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.06.

(c) The Issuers may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee and without prior notice to any Holder ; *provided*, *however*, that no such removal shall become effective until (i) if applicable, acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Issuers and such successor Registrar or Paying Agent , as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Issuers and the Trustee ; *provided*, *however*, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.07.

SECTION 2.05. Paying Agent to Hold Money in Trust. Prior to or on each due date of the principal of and cash interest on any Security, the Issuers shall deposit with a Paying Agent a sum sufficient to pay such principal and cash interest when so becoming due. The Issuers shall require each Paying Agent (other than the Trustee) to agree in writing that a Paying Agent shall hold in trust for the benefit of Holder s or the Trustee all money held by a Paying Agent for the payment of principal of and cash interest on the Securities , and shall notify the Trustee in writing of any default by the Issuers in making any such payment. The Issuers at any time or, during the continuance of a Default under this Indenture , the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent . Upon complying with this Section , a Paying Agent shall have no further liability for the money delivered to the Trustee . Upon any bankruptcy or reorganization proceedings relating to the Issuers , the Trustee shall serve as Paying Agent for the Securities .

Prior to or on each due date of PIK Interest on any Security, the Issuers shall direct the Trustee in writing, to either, on the date of such interest payment: (i) increase the amount of the Global Securities (and specify such amount) or (ii) issue PIK Securities to pay any such PIK Interest .

SECTION 2.06. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holder s . If the Trustee is not the Registrar , the Issuers shall furnish, or cause the Registrar to furnish, to the Trustee , in writing at least five Business Day s before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holder s .

SECTION 2.07. Transfer and Exchange. The Securities shall be issued in registered form and shall be transferable only upon the surrender of a Security for registration of transfer and in compliance with the Appendix. When a Security is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met.

When Securities are presented to the Registrar with a request to exchange them for an equal principal amount of Securities of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Issuers shall execute and the Trustee shall authenticate Securities at the Registrar 's request. The Issuers may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section . The Issuers shall not be required to make, and the Registrar need not register, transfers or exchanges of any Securities (i) selected for redemption (except, in the case of Securities to be redeemed in part, the portion thereof not to be redeemed), (ii) for a period of 15 days before the mailing of a notice of redemption of Securities to be redeemed or (iii) between a regular record date and the next succeeding interest payment date.

Prior to the due presentation for registration of transfer of any Security, the Issuers , the Guarantor s, the Trustee , the Paying Agent and the Registrar may deem and treat the Person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Issuers , any Guarantor , the Trustee , the Paying Agent or the Registrar shall be affected by notice to the contrary.

Any Holder of a beneficial interest in a Global Security shall, by acceptance of such beneficial interest, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by (a) the Holder of such Global Security (or its agent) or (b) any Holder of a beneficial interest in such Global Security, and that ownership of a beneficial interest in such Global Security shall be required to be reflected in a book entry.

All Securities issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Securities surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Securities . If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Issuers shall issue and the Trustee shall authenticate a replacement Security if the requirements of Section 8-405 of the New York UCC are met, such that the Holder (a) satisfies the Issuers or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Issuers or the Trustee prior to the Security being acquired by a protected purchaser as defined in Section 8-303 of the New York UCC (a "protected purchaser") and (c) satisfies any other reasonable requirements of the Trustee . Such Holder shall furnish an indemnity bond sufficient in the judgment of
(i) the Trustee to protect the Trustee or (ii) the Issuers to protect the Issuers , the Trustee , a Paying Agent and the Registrar from any loss that any of them may suffer if a Security is replaced. The Issuers and the Trustee may charge the Holder for their expenses in replacing a Security (including without limitation, attorneys' fees and disbursements in replacing such Security). In the event any such mutilated, lost, destroyed or wrongfully taken Security has become or is about to become due and payable, the Issuers in their discretion may pay such Security instead of issuing a new Security in replacement thereof.

Every replacement Security is an additional obligation of the Issuers .

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Securities .

SECTION 2.09. Outstanding Securities . Securities outstanding at any time are all Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those paid pursuant to Section 2.08 and those described in this Section as not outstanding. Subject to Section 12.04, a Security does not cease to be outstanding because the Issuers or an Affiliate of the Issuers holds the Security.

If a Security is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Issuers receive proof satisfactory to them that the replaced Security is held by a protected purchaser.

If a Paying Agent segregates and holds in trust, in accordance with this Indenture , on a redemption date or maturity date or any date of purchase pursuant to an offer to purchase money sufficient to pay all principal and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed, maturing or purchased, as the case may be, and no Paying Agent is prohibited from paying such money to the Holder s on that date pursuant to the terms of this Indenture , then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Securities . In the event that Definitive Securities are to be issued under the terms of this Indenture , until such Definitive Securities are ready for delivery, the Issuers may prepare and the Trustee shall authenticate temporary Securities . Temporary Securities shall be substantially in the form of Definitive Securities but may have variations that the Issuers consider appropriate for temporary Securities . Without unreasonable delay, the Issuers shall prepare and the Trustee shall authenticate Definitive Securities and make them available for delivery in exchange for temporary Securities upon surrender of such temporary Securities at the office or agency of the Issuers , without charge to the Holder . Until such exchange, temporary Securities shall be entitled to the same rights, benefits and privileges as Definitive Securities .

SECTION 2.11. Cancellation. The Issuers at any time may deliver Securities to the Trustee for cancellation. The Registrar and each Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee , or at the direction of the Trustee , the Registrar or the Paying Agent and no one else shall cancel all Securities surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Securities in accordance with its customary procedures (subject to the record retention requirement of the Exchange Act). The Issuers may not issue new Securities to replace Securities they have redeemed, paid or delivered to the Trustee for cancellation. The Trustee shall not authenticate Securities in place of canceled Securities other than pursuant to the terms of this Indenture .

SECTION 2.12. Default ed Interest and Additional Interest . If the Issuers default in a payment of interest on the Securities (a "Payment Default "), the Issuers shall pay the defaulted interest then borne by the Securities plus additional interest ("Additional Interest ") on the principal amount of the Securities (including PIK Securities) at a rate of 2.0% per annum (plus interest on such defaulted interest to the extent lawful) in cash and in any lawful manner. The Issuers may pay the defaulted interest and Additional Interest to the Person s who are Holder s on a subsequent special record date. Additional Interest shall continue to accrue on the outstanding principal amount of the Securities (including PIK Securities) until, but not including, the date the related Payment Default is cured. The Issuers shall fix or cause to be fixed any such special record date and payment and shall promptly mail or cause to be sent, or otherwise deliver in accordance with the procedures of DTC , to each affected Holder and the Trustee a notice that states the special record date, the payment date and the amount of defaulted interest and Additional Interest to be paid. The Issuers shall notify the Trustee in writing of the amount of defaulted cash interest proposed to be paid on each Security and the date of the proposed payment, and at

the same time the Issuers shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Person s entitled to such defaulted interest as provided in this Section 2.12.

SECTION 2.13. CUSIP Numbers, ISINs, etc. The Issuers in issuing the Securities may use CUSIP numbers, ISINs and "Common Code " numbers (if then generally in use) and, if so, the Trustee shall use CUSIP numbers, ISINs and "Common Code " numbers in notices of redemption as a convenience to Holder s ; *provided*, *however*, that any such notice may state that no representation is made as to the correctness of such numbers, either as printed on the Securities or as contained in any notice of a redemption that reliance may be placed only on the other identification numbers printed on the Securities and that any such redemption shall not be affected by any defect in or omission of such numbers. The Issuers shall promptly advise the Trustee in writing of any change in the CUSIP numbers, ISINs and "Common Code " numbers.

SECTION 2.14. Calculation of Principal Amount of Securities . The aggregate principal amount of the Securities , at any date of determination, shall be the principal amount of the Securities outstanding at such date of determination (including any outstanding PIK Securities and any increased principal amounts as a result of any payment of PIK Interest). With respect to any matter requiring consent, waiver, approval or other action of the Holder s of a specified percentage of the principal amount of all the Securities , such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of Securities , the Holder s of which have so consented, by (b) the aggregate principal amount, as of such date of determination, of the Securities then outstanding, in each case, as determined in accordance with the preceding sentence, Section 2.09 and Section 12.04 of this Indenture . Any such calculation made pursuant to this Section 2.14 shall be made by the Issuers and delivered to the Trustee pursuant to an Officer 's Certificate .

SECTION 2.15. Payment of Interest; Issuance of PIK Securities . Interest shall be (a) payable semiannually in arrears on February 15 and August 15 of each year, commencing on February 15, 2021 and (b) computed on the basis of a 360-day year of twelve 30-day months. On each interest payment date, the Issuers shall pay scheduled payments of interest consisting of interest: (1) payable at a rate per annum of 5.00%, at the option of the Issuers , either (x) in cash or (y) "in-kind" ("PIK Interest ") by increasing the principal amount of the Securities outstanding or, with respect to Securities represented by certificated notes, issuing additional PIK Securities and (2) payable at a rate per annum of 5.00%, in the form of PIK Interest only; *provided*, *however*, that on August 15, 2025 interest shall be payable at a rate per annum of 10.00% in the form of PIK Interest only. The Issuers shall notify the Trustee whether interest on the Securities shall be paid in cash or in the form of PIK Interest at least five business days prior to any interest payment date.

Any issue of PIK Securities will be secured, equally and ratably, with the Second Lien Notes . At all times, PIK Interest on the Second Lien Notes will be payable (x) with respect to Second Lien Notes represented by one or more Global Securities registered in the name of, or held by, DTC or its nominee on the relevant record date, by increasing the principal amount of the outstanding Global Securities by an amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar) as provided in a written order from the Issuers to the Trustee , and the Trustee , upon receipt of the written order from the Issuers , will record such increase in such Global Security and (y) with respect to Second Lien Notes represented by Definitive Securities , by issuing PIK Securities in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar), and the Trustee will, upon

receipt of an Authentication Order from the Issuers , authenticate and deliver such PIK Securities in certificated form for original issuance to the Holder s on the relevant record date, as shown by the records of the register of Holder s . Following an increase in the principal amount of any outstanding Global Securities as a result of a payment of PIK Interest , such Global Security will bear interest on such increased principal amount from and after the date of such payment. Any PIK Securities issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. All PIK Securities issued pursuant to a payment of PIK Interest will be governed by, and subject to the terms, provisions and conditions of, the Indenture , the Intercreditor Agreements and the Security Documents and shall have the same rights and benefits as the corresponding Second Lien Notes issued on the date of the Indenture . Any certificated PIK Securities will be issued with the description "PIK " on the face of such PIK Security.

ARTICLE 3

REDEMPTION

SECTION 3.01. Redemption. The Securities may be redeemed, in whole, or from time to time in part, subject to the conditions and at the redemption prices set forth in Section 3.09 hereof, together with accrued and unpaid interest (including PIK Interest) to, but excluding, the redemption date; *provided* that in the event of a partial redemption of the Securities , at least $25.0 million aggregate principal amount of Securities shall remain outstanding following such partial redemption.

SECTION 3.02. Applicability of Article . Redemption of Securities at the election of the Issuers or otherwise, as permitted or required by any provision of this Indenture , shall be made in accordance with such provision and this Article .

SECTION 3.03. Notices to Trustee . If the Issuers elects to redeem Securities pursuant to the optional redemption provisions of Section 3.09 hereof, they shall notify the Trustee in writing of (i) the Section or subsection of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Securities to be redeemed and (iv) the redemption price. The Issuers shall give notice to the Trustee provided for in this paragraph at least two (2) Business Day s (or such shorter period as shall be acceptable to the Trustee) before notice of redemption is required to be delivered or mailed to Holder s pursuant to Section 3.05 but not more than 60 days before a redemption date if the redemption is pursuant to Section 3.09; *provided*, notice may be given more than 60 days prior to a redemption date if the notice is (i) issued in connection with Section 8.01 or (ii) conditioned upon satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent and any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion). Such notice shall be accompanied by an Officer 's Certificate from the Issuers to the effect that such redemption will comply with the conditions herein. Any such notice may be canceled at any time prior to notice of such redemption being sent to any Holder and shall thereby be void and of no effect.

SECTION 3.04. Selection of Securities to Be Redeemed. In the case of any partial redemption or purchase, the Trustee shall select the Securities to be redeemed or purchased on a pro rata basis to the extent practicable or, to the extent that selection on a pro rata basis is not practicable, by lot or such other method as the Trustee shall deem fair and appropriate and otherwise in accordance with the procedures of DTC ; *provided* that no Securities of $250,000 or less shall be redeemed or purchased in part and all redemptions or purchases shall be made in increments of $1.00. The Trustee shall make the selection from outstanding Securities not previously called for redemption. The Trustee may select for redemption portions of the principal of Securities that have denominations larger than $250,000. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Issuers promptly of the

Securities or portions of Securities to be redeemed. After the redemption date, upon surrender of the Security to be redeemed in part only, a new Security or Securities in principal amount equal to the unredeemed portion of the original Security representing the same Indebtedness to the extent not redeemed shall be issued in the name of the Holder of the Securities upon cancellation of the original Security (or appropriate book entries shall be made to reflect such partial redemption).

SECTION 3.05. Notice of Optional Redemption.

(a) At least 10 days but not more than 60 days before a redemption date pursuant to the optional redemption provisions of Section 3.09 hereof, the Issuers shall send electronically, mail or cause to be mailed by first-class mail a notice of redemption to each Holder whose Securities are to be redeemed (except that such notice of redemption may be mailed more than 60 days prior to a redemption date if the notice is (i) issued in connection with Section 8.01 or (ii) conditioned upon satisfaction (or waiver by the Issuers in their sole discretion) of one or more conditions precedent and any or all such conditions shall not have been satisfied (or waived by the Issuers in their sole discretion)).

Any such notice shall identify the Securities to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price and the amount of accrued and unpaid interest (including PIK Interest) to the redemption date;

(iii) the Section of this Indenture pursuant to which the Securities called for redemption are being redeemed;

(iv) the name and address of the Paying Agent ;

(v) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price, plus accrued interest;

(vi) if fewer than all the outstanding Securities are to be redeemed, the principal amounts of the particular Securities to be redeemed, the aggregate principal amount of Securities to be redeemed and the aggregate principal amount of Securities to be outstanding after such partial redemption;

(vii) any condition to such redemption;

(viii) that, unless the Issuers default in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture , interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(ix) the CUSIP number, ISIN and/or "Common Code " number, if any, printed on the Securities being redeemed; and

(x) that no representation is made as to the correctness or accuracy of the CUSIP number or ISIN and/or "Common Code " number, if any, listed in such notice or printed on the Securities .

(b) At the Issuers ' written request, the Trustee shall give the notice of redemption in the Issuers ' name and at the Issuers ' expense. In such event, the Issuers shall provide the Trustee with the information required by this Section at least 2 Business Day s (or such shorter period as shall be acceptable to the Trustee) prior to the date such notice is to be provided to Holder s .

(c) Notice of any redemption of Securities described above may be given prior to such redemption, and any such redemption or notice may, at the Issuers ' sole discretion, be subject to one or more conditions precedent, and any notice of redemption made in connection with a related transaction or event may, at the Issuers ' discretion, be given prior to the completion or the occurrence thereof. Any such notice may provide that redemptions made pursuant to different provisions will have different redemption dates. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice of redemption shall describe each such condition, and, if applicable, shall state that, in the Issuers ' sole discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied (or waived by the Issuers in their sole discretion), or that such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived, in the Issuers ' sole discretion) by the redemption date, or by the redemption date as so delayed, or that such notice may be rescinded at any time in the Issuers ' discretion if in the good faith judgment of the Issuers any or all of such conditions will not be satisfied. If any such condition precedent has not been satisfied, the Issuers shall provide written notice to the Trustee prior to the close of business on the Business Day immediately prior to the redemption date. Upon receipt of such notice, the notice of redemption shall be rescinded or delayed, and the redemption of the Securities shall be rescinded or delayed as provided in such notice. Upon receipt, the Trustee shall deliver such notice to each Holder . In addition, the Issuers may provide in such notice that payment of the redemption price and performance of the Issuers ' obligations with respect to such redemption may be performed by another Person .

SECTION 3.06. Effect of Notice of Redemption. Once notice of redemption is mailed or sent in accordance with Section 3.05, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice (except as described in Section 3.05). Upon surrender to the Paying Agent , such Securities shall be paid at the redemption price stated in the notice, plus accrued interest (including PIK Interest), to, but not including, the redemption date; *provided*, *however*, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest (including PIK Interest) shall be payable to the Holder of the redeemed Securities registered on the relevant record date. The notice, if mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder .

SECTION 3.07. Deposit of Redemption Price. With respect to any Securities , prior to 11:00 a.m., New York City time, on the redemption date, the Issuers shall deposit with the Paying Agent (or, if the Issuers or a Wholly-Owned Subsidiary is the Paying Agent , shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest (including accrued and unpaid PIK Interest , which for the avoidance of doubt shall be paid in cash) on all Securities or portions thereof to be redeemed on that date other than Securities or portions of Securities called for redemption that have been delivered by the Issuers to the Trustee for cancellation. On and after the redemption date, interest shall cease to accrue on Securities or portions thereof called for redemption so long as the Issuers have deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) on, the Securities to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture or applicable law. If a Security is redeemed on or after a record date but on or prior to the

related interest payment date, then any accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) to the redemption date shall be paid on the relevant interest payment date to the Person in whose name such Security was registered at the close of business on such record date.

SECTION 3.08. Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Issuers shall execute and the Trustee shall authenticate for the Holder (at the Issuers ' expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered; *provided* that no Securities of $250,000 or less shall be redeemed in part and all redemptions shall be made in increments of $1.00. It is understood that, notwithstanding anything in this Indenture to the contrary, only an Authentication Order and not an Opinion of Counsel or Officer 's Certificate is required for the Trustee to authenticate such new Security.

SECTION 3.09. Optional Redemption. The Securities shall not be redeemable at the option of the Issuers prior to August 15, 2022. On August 15, 2022 or thereafter, the Issuers may redeem the Securities , at their option, in whole at any time or in part from time to time, upon notice in accordance with Section 3.05 hereof, at the following redemption prices (expressed as a percentage of the principal amount of the Securities to be redeemed), plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) thereon to, but not including, the applicable redemption date (subject to the right of the Holder s of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on August 15 of each of the years set forth below:

Year	Percentage
2022	103.00%
2023	102.00%
2024 through and excluding August 15, 2025	101.00%

At any time on or after August 15, 2025, the Issuers may redeem all or a part of the Securities , at their option, at any time or from time to time, upon notice in accordance with Section 3.05 of this Indenture or otherwise delivered in accordance with the procedures of DTC , at a redemption price equal to 100% of the principal amount of the Securities redeemed plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) to, but not including, the applicable redemption date (subject to the right of the Holder s of record on the relevant record date to receive interest due on the relevant interest payment date).

SECTION 3.10. Mandatory AHYDO Catch-Up Payment .

(a) For U.S. federal (and, if applicable, state and local) income tax purposes only, (i) the first "accrual period" (as defined in Section 1272(a)(5) of the Code and Treas. Reg. § 1.1272-1(b)(1)(ii)) beginning on the Issue Date shall end on February 15, 2021, (ii) each successive accrual period until February 15, 2025 shall be a semiannual accrual period ending on August 15 or February 15, as applicable, (iii) the accrual period beginning on February 16, 2025 shall end on February 15, 2026 and
(iv) the accrual period beginning on February 16, 2026 shall end on August 15, 2026.

(b) On February 15, 2026, the Issuers shall redeem a portion of the Securities in an amount necessary (a "Mandatory AHYDO Catch-Up Payment ") such that the Securities do not have "significant original issue discount" within the meaning of Section 163(i)(1)(C) of the Code , at a redemption price equal to 100% of the principal amount of the Securities redeemed plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) to, but not including, February 15, 2026. It is intended that no Security will be an "applicable high yield discount

obligation" within the meaning of Section 163(i)(1) of the Code . The Issuers shall notify the Trustee of the amount of the Mandatory AHYDO Catch-Up Payment at least five business days prior to February 15, 2026. The Trustee shall not at any time be under any duty or obligation to any Holder with respect to any determination or calculation with respect to any Mandatory AHYDO Catch-Up Payment .

ARTICLE 4

COVENANTS

SECTION 4.01. Payment of Securities . The Issuers , jointly and severally, shall promptly pay the principal of, premium, if any, and interest on the Securities , on the dates and in the manner provided in the Securities and in this Indenture . An installment of principal or interest (including cash interest and PIK Interest payable in PIK Securities or an increased principal amount of Second Lien Notes) shall be considered paid on the date due if: (i) on such date the Trustee or the Paying Agent holds as of 11:00 a.m., New York City time, money sufficient to pay all principal and cash interest then due and the Trustee or the Paying Agent , as the case may be, is not prohibited from paying such money to the Holder s on that date pursuant to the terms of this Indenture and (ii) the Trustee has received delivery of an Authentication Order on or prior to the date the payment is due with respect to any PIK Securities to be authenticated and delivered or written direction as provided in Section 2.05 for any increased principal amount of the applicable Global Securities sufficient to pay all PIK Interest then due.

The Issuers shall pay interest on overdue principal at the rate specified therefor in the Indenture and/or in the Securities , and it shall pay interest on overdue installments of interest at the same rate borne by the Securities to the extent lawful.

SECTION 4.02. Reports and Other Information .

(a) So long as any Securities are outstanding, the Issuers will furnish to the Trustee within 15 business days after the applicable date such information would be required to be filed with the SEC if the Issuers were reporting companies under the Exchange Act as a non-accelerated filer (without giving effect to any extensions permitted by Rule 12b-25):

(i) annual reports containing substantially all of the financial information that would have been required to be contained in an Annual Report on Form 10-K under the Exchange Act of the Issuers , or any successor or comparable form, containing the financial information required to be contained therein, or required in such successor or comparable form as if the Issuers had been a reporting company under the Exchange Act for such period, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" (which shall be limited to income statement, balance sheet and cash flow information) with respect to the periods presented and an audit report on the annual financial statements by the Issuers ' independent registered public accounting firm;

(ii) quarterly reports containing substantially all of the financial information that would have been required to be contained in a Quarterly Report on Form 10-Q of the Issuers containing all quarterly financial information that would be required to be contained in Form 10-Q, or any successor or comparable form as if the Issuers had been a reporting company under the Exchange Act for such period, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" (which shall be limited to income statement, balance sheet and cash flow information), subject to normal year-end adjustments; and

(iii) such other reports on Form 8-K, or any successor or comparable form as if the Issuers had been a reporting company under the Exchange Act for such period;

in each case, in a manner that complies in all material respects with the requirements specified in such form; *provided* that the Issuers shall make available such information to securities analysts and prospective purchasers of Securities , in addition to providing such information to the Trustee and the Holder s of the Securities , including by posting such information on a password protected online data system requiring user identification or the website of the Issuers or any of its parent companies (which may be password protected so long as the password is made promptly available by the Issuers to the Trustee , the Holder s of the Securities and such prospective purchasers upon request); *provided, further*, that such reports required pursuant to clauses (i), (ii) and (iii) above (a) shall not be required to comply with Section 302, Section 404 or 906 of the Sarbanes-Oxley Act of 2002, as amended, or related Items 307, 308 and 308T of Regulation S -K promulgated by the SEC, or Item 10(e) of Regulation S -K (with respect to any non- GAAP financial measures contained therein), (b) shall not be required to comply with Items 402, 403, 406 and 407 of Regulation S -K promulgated by the SEC, (c) shall not be required to comply with Rule 3-10 or Rule 3-16 of Regulation S -X promulgated by the SEC and (d) shall not be required to include any exhibits that would have been required to be filed pursuant to Item 601 of Regulation S -K promulgated by the SEC; *provided further* that the obligations under this Section 4.02 shall not apply to the period ended March 31, 2020 or any earlier three, six, nine or twelve month period; *provided further* that information with respect to the period ended June 30, 2020 may be provided no later than the date on which such information with respect to the period ended September 30, 2020 shall be due under this Section 4.02. In addition, to the extent not satisfied by the foregoing, the Issuers will agree that, for so long as any Securities are outstanding, it will furnish to Holder s and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A (d)(4) under the Securities Act .

(b) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee 's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers ' compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer 's Certificate s with respect thereto). The Trustee shall have no responsibility for the filing, timeliness or content of such reports. Additionally, the Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuers ' compliance with the covenants or with respect to any reports or other documents filed with the SEC or EDGAR or any website or datasite under this Indenture .

(c) Notwithstanding anything to the contrary set forth above, if the Issuers (or any direct or indirect parent of the Issuers) have made available through EDGAR or SEC filings the reports and information described in the preceding paragraphs with respect to Issuers , the Issuers shall be deemed to be in compliance with the provisions of this Section 4.02.

(d) Following each fiscal quarter, the Issuers will participate in conference calls to discuss their results of operations for the period since the previous conference call. The conference call will be held following the last day of the relevant quarter of the Issuers and not later than five Business Day s following the time that the Issuers distribute the information as set forth in Section 4.02(a) with respect to such quarter. No fewer than two days prior to the conference call, the Issuers will issue a press release or otherwise announce the time and date of such conference call and provide instructions for Holder s , prospective investors in the Second Lien Notes , securities analysts and market making financial institutions to obtain access to such call.

(e) Each annual and quarterly report provided pursuant to Section 4.02(a) herein shall (a) separately break out the portion of sales made to Affiliate s and the portion of sales made to non- Affiliate s and (b) provide a narrative discussion of the comparability of the amount and nature of rebates, discounts and gross pricing applied to sales to Affiliate s as compared to those applied to non-Affiliate s.

SECTION 4.03. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock .

(a) The Issuers shall not, and shall not permit any of their Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Issuers shall not issue any shares of Disqualified Stock and shall not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock ;

(b) Section 4.03(a) shall not apply to:

(i) Indebtedness incurred pursuant to the ABL Credit Agreement by the Issuers or any Guarantor ; *provided* that immediately after giving effect to any such incurrence, the aggregate principal amount of all Indebtedness incurred under this clause
(i) and then outstanding does not exceed the greater of (x) $15.0 million and (y) 50.0% of EBITDA of the Issuers for the most recently ended four consecutive fiscal quarters for which internal financial statements are available (calculated on a *pro forma* basis);

(ii) the incurrence by the Issuers and any Guarantor of (x) Indebtedness represented by the initial principal amount of Securities issued on the Issue Date (including PIK Interest accrued at the initial rate for such PIK Interest described in this Indenture), the Guarantee s and (y) the First Lien Notes represented by the initial principal amount of First Lien Notes issued on the Issue Date pursuant to the First Lien Indenture (including any "PIK Interest " (as defined in the First Lien Indenture as in effect on the date hereof or as amended in accordance with the terms of the First Lien /Second Lien Intercreditor Agreement) accrued at the initial rate for such PIK Interest described in the First Lien Indenture (as in effect on the date hereof)) and any guarantees thereof;

(iii) Indebtedness of the Issuers and their Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness described in clauses (i) and (ii) of this Section 4.03(b)) and listed on Schedule 1 hereto;

(iv) (x) Indebtedness (including Financing Lease Obligation s) incurred or Disqualified Stock issued by the Issuers or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary , in each case, in the ordinary course of business, whether or not consistent with past practice, to finance the purchase, lease, replacement or improvement of property (real or personal) or equipment, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and (y) any Indebtedness incurred or Disqualified Stock or Preferred Stock issued to refund, refinance or replace any other Indebtedness incurred or Disqualified Stock or Preferred Stock issued pursuant to this clause (iv); *provided* that the aggregate amount of Indebtedness incurred and Disqualified Stock and Preferred Stock issued pursuant to clauses (x) and (y) of this clause (iv) does not exceed, at any one time outstanding, $5.0 million, which amount shall increase by (i) on the first anniversary of the Issue Date , $5.0 million (such that at any one time outstanding upon and after such date, the aggregate

amount of Indebtedness incurred and Disqualified Stock and Preferred Stock issued pursuant to clauses (x) and (y) of this clause (iv) may not exceed $10.0 million as of such date) and (ii) on the second anniversary of the Issue Date , an additional $5.0 million (such that at any one time outstanding upon and after such date, the aggregate amount of Indebtedness incurred and Disqualified Stock and Preferred Stock issued pursuant to clauses (x) and (y) of this clause of this clause (iv) may not exceed $15.0 million as of such date);

(v) Indebtedness incurred by the Issuers or any of their Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bank guarantees, bankers acceptances, warehouse receipts or similar instruments issued in the ordinary course of business, including, without limitation, letters of credit in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; *provided*, *however*, that upon the drawing of such letters of credit or the incurrence of such Indebtedness , such obligations are reimbursed within 30 Business Day s following such drawing or incurrence;

(vi) Indebtedness of the Issuers to a Guarantor ; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Guarantor ceasing to be a Guarantor or any other subsequent transfer of any such Indebtedness (except to the Issuers or another Guarantor or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (vi);

(vii) Indebtedness of a Guarantor to the Issuers or another Guarantor ; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Guarantor ceasing to be a Guarantor or any subsequent transfer of any such Indebtedness (except to the Issuers or another Guarantor or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (vii);

(viii) shares of Preferred Stock of (a) a Restricted Subsidiary that is a Guarantor issued to the Issuers or another Restricted Subsidiary that is a Guarantor or (b) a Restricted Subsidiary that is not a Guarantor issued to the Issuers or another Restricted Subsidiary that is not a Guarantor , in each case, *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuers or another of its Restricted Subsidiaries) shall be deemed in each case to be an issuance of such shares of Preferred Stock not permitted by this clause (viii);

(ix) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) in an aggregate amount not to exceed $4.0 million at any time outstanding;

(x) obligations (including reimbursement obligations with respect to letters of credit, bank guarantees or other similar instruments) in respect of performance, bid, appeal and surety bonds and performance and completion guarantees or obligations in respect of letters of credit related thereto provided by the Issuers or any of their

Restricted Subsidiaries in the ordinary course of business or consistent with past practice or industry practices;

(xi) the incurrence by the Issuers or any Restricted Subsidiary of Indebtedness or issuance of Disqualified Stock or the issuance by any Restricted Subsidiary of Preferred Stock which serves to extend, replace, refund, refinance, renew or defease any Indebtedness incurred or Disqualified Stock or Preferred Stock issued as permitted under clause (iii), clause (xx) and this clause (xi) of this Section 4.03(b) or any Indebtedness incurred or Disqualified Stock or Preferred Stock issued to so extend, replace, refund, refinance or renew such Indebtedness , Disqualified Stock or Preferred Stock including additional Indebtedness incurred or Disqualified Stock or Preferred Stock issued to pay premiums (including tender premiums), penalties and similar amounts, defeasance costs and fees and expenses (including original issue discount, upfront fees or similar fees) in connection therewith (the "Refinancing Indebtedness ") prior to its respective maturity; *provided*, *however*, that such Refinancing Indebtedness :

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred or issued which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness , Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Securities);

(2) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases (x) Indebtedness subordinated to or *pari passu* with the Securities or any Guarantee thereof, such Refinancing Indebtedness is subordinated to or *pari passu* with the Securities or the Guarantee at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or (y) Disqualified Stock or Preferred Stock , such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock , respectively;

(3) shall not include (x) Indebtedness , Disqualified Stock or Preferred Stock of a Subsidiary of the Issuers that is not a Guarantor that refinances Indebtedness , Disqualified Stock or Preferred Stock of the Issuers or
(y) Indebtedness , Disqualified Stock or Preferred Stock of a Subsidiary of the Issuers that is not a Guarantor that refinances Indebtedness , Disqualified Stock or Preferred Stock of a Guarantor ;

(4) is incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus premium and fees incurred in connection with such refinancing;

(5) shall not be secured by any Lien s other than Lien s on the property or assets already securing the Indebtedness being refinanced hereunder, and any such new Lien s and such Refinancing Indebtedness shall be subject to the same Lien priorities as the existing Indebtedness ; and

(6) shall not have a cash interest rate that is in excess of 25% of the cash interest rate of the Indebtedness being Refinanced hereunder.

(xii) (1) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Day s of its incurrence and (2) Indebtedness in respect of any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements entered into in the ordinary course of business;

(xiii) Indebtedness of the Issuers or any of their Restricted Subsidiaries supported by a letter of credit or bank guarantee issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(xiv) (1) any guarantee by the Issuers or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by such Restricted Subsidiary is permitted under the terms of this Indenture , or (2) any guarantee by a Restricted Subsidiary of Indebtedness of the Issuers *provided* that such guarantee is incurred in accordance with Section 4.11;

(xv) Indebtedness of the Issuers or any of their Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business;

(xvi) the incurrence of Indebtedness arising out of any Sale and Lease-Back Transaction with respect to property built or acquired by the Issuers or any Restricted Subsidiary after the Issue Date incurred in the ordinary course of business or consistent with industry practice;

(xvii) Indebtedness of the Issuers or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with (a) the Trustee to satisfy and discharge the Securities (including any accrued and unpaid cash interest or PIK Interest) in accordance with the terms of this Indenture or (b) the trustee, agent or other Person acting in a similar capacity with respect to any Indebtedness to satisfy and discharge such Indebtedness in accordance with the terms thereof;

(xviii) Indebtedness of (a) the Issuers or any Guarantor incurred to finance an acquisition or (b) Person s that are acquired by the Issuers or any Guarantor or merged or amalgamated with or into the Issuers or a Guarantor in accordance with the terms of this Indenture ; *provided*, *however*, that after giving effect to such acquisition, merger or amalgamation and the incurrence of such Indebtedness , the Issuers and their Restricted Subsidiaries on a consolidated basis (i) would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 or (ii) the Fixed Charge Coverage Ratio would be equal to or greater than the Fixed Charge Coverage Ratio immediately prior to such acquisition, merger or amalgamation; and *provided further*, that the amount of Indebtedness that may be incurred by the Issuers or a Guarantor pursuant to clause (a) of this clause (xviii) shall not exceed $20.0 million at any one time outstanding;

(xix) Indebtedness or Disqualified Stock of the Issuers and Indebtedness , Disqualified Stock or Preferred Stock of any Guarantor not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness , Disqualified Stock and Preferred Stock then outstanding and incurred or issued, as applicable, pursuant to this clause (xix), does not at any one time outstanding exceed $7.5 million;

(xx) Indebtedness (including Acquired Indebtedness) or Disqualified Stock of the Issuers or the incurrence or issuance of Indebtedness (including Acquired Indebtedness), Disqualified Stock or Preferred Stock by any Restricted Subsidiary , so long as the Consolidated Total Debt Ratio of the Issuers for the Issuers ' most recently ended four fiscal quarters for which internal financial statements are available preceding the date on which such additional Indebtedness , Disqualified Stock or Preferred Stock is incurred or issued would be no greater than 4.75 to 1.00, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom); *provided* that the amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock that may be incurred or issued, as applicable, pursuant to the foregoing by Restricted Subsidiaries that are not Guarantor s shall not exceed the greater of (x) $5 million and (y) 20% of EBITDA of the Issuers for the most recently ended four consecutive fiscal quarters for which internal financial statements are available (calculated on a *pro forma* basis), at any one time outstanding; and *provided further* that any Indebtedness incurred pursuant to this clause (xx) may not mature on or prior to the stated maturity of the Securities ; and

(xxi) to the extent constituting Indebtedness , all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxi) above.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock for purposes of this Section 4.03. Guarantee s of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness ; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this Section 4.03.

For purposes of determining compliance with any U.S. Dollar-denominated restriction on the incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock , the U.S. dollar- equivalent principal amount or liquidation preference, as applicable, of Indebtedness , Disqualified Stock or Preferred Stock denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* that if such Indebtedness is incurred or Disqualified Stock or Preferred Stock is issued, to extend, replace, refund, refinance, renew or defease other Indebtedness , Disqualified Stock or Preferred Stock , as applicable, denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such U.S. dollar-denominated

restriction shall be deemed not to have been exceeded so long as the principal amount or liquidation preference, as applicable, of such Refinancing Indebtedness , Disqualified Stock or Preferred Stock does not exceed (x) the principal amount or liquidation preference, as applicable, of such Indebtedness , Disqualified Stock or Preferred Stock , as applicable, being extended replaced, refunded, refinanced, renewed or defeased plus (y) the aggregate amount of fees, underwriting discounts, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness , Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness , if incurred in a different currency from the Indebtedness , Disqualified Stock or Preferred Stock , as applicable, being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness , Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing. The Issuers shall not, and shall not permit any Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is contractually subordinated or junior in right of payment to any Indebtedness of the Issuers or such Guarantor , as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Securities or such Guarantor 's Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuers or such Guarantor , as the case may be.

For purposes of this Indenture , Indebtedness that is unsecured is not deemed to be subordinated or junior to Secured Indebtedness merely because it is unsecured, and senior indebtedness is not deemed to be subordinated or junior to any other senior indebtedness merely because it has a junior priority lien with respect to the same collateral or because it is secured by different collateral or issued or guaranteed by other obligors.

SECTION 4.04. Limitation on Restricted Payments .

(a) The Issuers shall not, and shall not permit any of the Restricted Subsidiaries to, directly or indirectly (all such payments and other actions set forth in clauses (i) through (iv) below being collectively referred to as "Restricted Payments "):

(i) declare or pay any dividend or make any other payment or any distribution on account of the Issuers ' or any of their Restricted Subsidiaries ' Equity Interests (in each case, solely in such Person 's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger or consolidation (other than: (A) dividends or distributions by the Issuers payable solely in Equity Interests (other than Disqualified Stock) of the Issuers or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock); or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Subsidiary , the Issuers or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuers , any direct or indirect parent of the Issuers or any Subsidiaries , including in connection with any merger or consolidation, in each case held by Person s other than the Issuers or a Restricted Subsidiary ;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment,

sinking fund payment or maturity, any Subordinated Indebtedness of the Issuers or any Restricted Subsidiary , other than the payment, redemption, repurchase, defeasance, acquisition or retirement for value of existing indebtedness listed on Schedule 1 hereto that is Subordinated Indebtedness , with respect to the satisfaction of a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(iv) make any Restricted Investment .

(b) Section 4.04(a) shall not prohibit:

(i) (A) any Restricted Payment either (i) in exchange for Qualified Capital Stock of the Issuers or (ii) through the application of the net cash proceeds received by the Issuers from (x) a substantially concurrent sale of Qualified Capital Stock of the Issuers or (y) a contribution to the Capital Stock of the Issuers not representing an interest in Disqualified Stock , in each case, not received from a Restricted Subsidiary of the Issuers ;

(ii) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Restricted Subsidiary of the Issuers , of Refinancing Indebtedness for such Subordinated Indebtedness ;

(iii) the payment by the Issuers to Parent of a one-time cash distribution in the amount of $90.0 million on the Issue Date ;

(iv) the declaration and payment of dividends or distributions by the Issuers or a Restricted Subsidiary to, or the making of loans or advances to, any of their respective direct or indirect parent companies in amounts required for any direct or indirect parent companies to pay, in each case, for any taxable period in which the Issuers and/or any of their Subsidiaries are members of a consolidated, combined or similar income tax group of which a direct or indirect parent of the Issuers is the common parent (a "Tax Group "), consolidated tax liabilities of such Tax Group that are attributable to the taxable income of the Issuers and/or their Subsidiaries ; *provided* that, for each taxable period, the amount of such payments made in respect of such taxable period in the aggregate shall not exceed the lesser of (1) the amount that the Issuers and their Subsidiaries would have been required to pay in respect of federal, foreign, state and local income taxes in the aggregate if such entities were corporations paying taxes separately from any Tax Group on a standalone basis (it being understood and agreed that if the Issuer or any Subsidiary pays any such federal, foreign, state or local income taxes directly to such taxing authority, that a Restricted Payment in duplication of such amount shall not be permitted to be made pursuant to this clause) and (2) the amount of income taxes actually paid by such Tax Group in respect of such taxable period; and

(v) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (v) not to exceed $1.0 million in any one year period following the Issue Date , with unused amounts carried over to subsequent one year periods.

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or

issued by the Issuers or the relevant Restricted Subsidiary , as the case may be, pursuant to such Restricted Payment.

Notwithstanding the foregoing or any other provision of this Indenture , $10.0 million of proceeds from the sale of First Lien Notes on the Issue Date shall be retained by the Issuers for working capital and general corporate purposes, and may not be distributed, dividend-ed, loaned, invested or otherwise disposed of, including with respect to the Parent or any other Person , at any time.

SECTION 4.05. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries . The Issuers shall not, and shall not permit any of their Restricted Subsidiaries that are not Guarantor s to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuers or any of their Restricted Subsidiaries that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuers , in the case of a Restricted Subsidiary that is not a Guarantor , to any Restricted Subsidiary that is a Guarantor ;

(b) make loans or advances to the Issuers or, in the case of a Restricted Subsidiary that is not a Guarantor , to any Restricted Subsidiary that is a Guarantor ; or

(c) sell, lease or transfer any of its properties or assets to the Issuers or, in the case of a Restricted Subsidiary that is not a Guarantor , to any Restricted Subsidiary that is a Guarantor ;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date related to existing indebtedness listed on Schedule 1 attached hereto;

(2) this Indenture , the Securities , the related Guarantee s, the Security Documents , the First Lien Indenture , the First Lien Notes and related guarantees, the Intercreditor Agreements and the security documents in respect of the First Lien Obligation s;

(3) purchase money obligations for property acquired and Financing Lease Obligation s in the ordinary course of business that impose restrictions of the nature discussed in clause (c) above on the property or assets so acquired;

(4) applicable law or any applicable rule, regulation or order;

(5) any agreement or other instrument of a Person acquired by the Issuers or any of their Restricted Subsidiaries in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person , or the properties or assets of any Person , other than the Person so acquired and its Subsidiaries , or the property or assets of the Person so acquired and its Subsidiaries ;

(6) contracts or agreements for the sale of assets, including any restrictions with respect to a Subsidiary of the Issuers pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary , permitted under this Indenture ;

(7) Secured Indebtedness otherwise permitted to be incurred pursuant to Section s 4.03 and 4.12 that apply to the assets securing such Indebtedness and/or the Restricted Subsidiaries incurring or guaranteeing such Indebtedness ;

(8) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(9) customary provisions in any joint venture agreement and other similar agreement entered into in the ordinary course of business and, in each case, permitted under this Indenture ;

(10) customary provisions contained in leases, subleases, licenses or sublicenses or asset sale agreements and other similar agreements, in each case, entered into in the ordinary course of business;

(11) any encumbrances or restrictions of the type referred to in Section s 4.05(a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (10) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuers , no more restrictive in any material respect with respect to such encumbrances and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(12) customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(13) customary restrictions and conditions contained in any agreement relating to the sale, transfer, lease or other disposition of any asset permitted under Section 4.06 pending the consummation of such sale, transfer, lease or other disposition;

(14) customary restrictions and conditions contained in the document relating to any Lien so long as (i) such Lien is a Permitted Lien and such restrictions or conditions relate only to the specific asset subject to such Lien and (ii) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this clause (14); and

(15) agreements entered into in connection with a Sale and Lease-Back Transaction entered into in the ordinary course of business or consistent with industry practice.

For purposes of determining compliance with this Section 4.05, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to the Issuers or a Restricted Subsidiary to other Indebtedness incurred by the Issuers or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

SECTION 4.06. Asset Sale s.

(a) The Issuers shall not, and shall not permit any of their Restricted Subsidiaries to, consummate an Asset Sale (including a Sale and Lease-Back Transaction), unless:

(i) the Issuers or such Restricted Subsidiary , as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of; and

(ii) at least 75% of the consideration therefor received by the Issuers or a Guarantor , as the case may be, is in the form of Cash Equivalents ; *provided* that the amount of:

(1) any liabilities (as shown on the Issuers ' or such Restricted Subsidiary 's most recent balance sheet or in the footnotes thereto or, if incurred or increased subsequent to the date of such balance sheet, such liabilities that would have been shown on the Issuers ' or such Restricted Subsidiary 's balance sheet or in the footnotes thereto if such incurrence or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuers), contingent or otherwise, of the Issuers or such Restricted Subsidiary , other than liabilities that are by their terms subordinated to the Securities , that are assumed by the transferee of any such assets or that are otherwise cancelled or terminated in connection with the transaction with such transferee and for which the Issuers and all of its Restricted Subsidiaries have been validly released by all creditors in writing, and

(2) any securities, notes or other obligations or assets received by the Issuers or such Restricted Subsidiary from such transferee that are converted by the Issuers or such Restricted Subsidiary into Cash Equivalents (to the extent of the Cash Equivalents received) within 30 days following the closing of such Asset Sale ,

shall be deemed to be Cash Equivalents for the purposes of this Section 4.06(a); and

(iii) such Asset Sale does not include any intellectual property, permits or licenses (or any rights therein) that are material to the conduct of the business of the Issuers or and their Restricted Subsidiaries , taken as a whole.

(b) Within 60 days after the receipt of Net Proceeds from any Asset Sale which cumulatively, with the Net Proceeds of any previous Assets Sales (excluding any Net Proceeds (i) voluntarily applied to redeem the Securities or the First Lien Notes or that will be applied to redeem the Securities or the First Lien Notes pursuant to an irrevocable notice of redemption issued in accordance with this Indenture or (ii) of ABL Priority Collateral that are required to be applied to repay outstanding Indebtedness under the ABL Credit Agreement), exceeds $5.0 million (the "Asset Sale Offer Threshold "), the Issuers shall make an offer to all Holder s of the Securities (an "Asset Sale Offer ") to purchase the maximum aggregate principal amount of the Securities that is at least $250,000 and an integral multiple of $1.00 in excess thereof with such Net Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof, or 100% of the accreted value thereof, if less, plus accrued and unpaid interest (including PIK Interest) to, but not including, the date fixed for the closing of such offer, in accordance with the procedures set forth in this Indenture . The Issuers will commence an Asset Sale Offer by mailing the notice required pursuant to the terms of this Indenture , with a copy to the Trustee , or otherwise delivered in accordance with the procedures of DTC . Notwithstanding the foregoing, if the Issuers are required under the terms of the First Lien Indenture to make an "Asset Sale Offer " pursuant to the terms of such First Lien Indenture , the Issuers shall not be required to make an Asset Sale Offer pursuant to the terms of this Indenture unless and until after the consummation of such "Asset Sale Offer "

pursuant to the terms of the First Lien Indenture , there remain Net Proceeds exceeding the Asset Sale Offer Threshold .

To the extent that the aggregate amount of Securities tendered pursuant to an Asset Sale Offer is less than the Asset Sale Offer Threshold , the Issuers may use such Net Proceeds for general corporate purposes, subject to compliance with other covenants contained in this Indenture and such Net Proceeds shall no longer be included for purposes of determining the Asset Sale Offer Threshold . If the aggregate principal amount of Securities surrendered in an Asset Sale Offer exceeds the amount of such Net Proceeds with which an Asset Sale Offer is being made, the Trustee shall select the Securities to be purchased in the manner described in Section 3.04. Pending the final application of any Net Proceeds , the Company shall deposit such Net Proceeds in an account in which the Collateral Trustee has a perfected security interest for the benefit of the Secured Parties in accordance with the applicable Lien priorities described in the Intercreditor Agreements .

The Issuers shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Securities pursuant to an Asset Sale Offer . To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture , the Issuers shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

SECTION 4.07. Transactions with Affiliate s.

(a) The Issuers shall not, and shall not permit any of their Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of their properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuers (each of the foregoing, an "Affiliate Transaction ") unless:

(i) with respect to transactions or series of transactions involving aggregate payments or consideration of less than $1.0 million, in the good faith judgment of senior management of the Issuers , as evidenced by an Officer 's Certificate delivered to the Trustee , such Affiliate Transaction is on terms that are not less favorable to the Issuers or their relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuers or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(ii) with respect to transactions or series of transactions involving aggregate payments or consideration in excess of $1.0 million, the Issuers deliver to the Trustee (A) a resolution adopted by the majority of the disinterested board of directors of Anagram LLC approving such Affiliate Transaction and a related Officer 's Certificate certifying that such Affiliate Transaction is on terms that are not less favorable to the Issuers or their relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuers or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or (B) if there are no disinterested members of the board of directors of Anagram LLC , a resolution adopted by all of the members of the board of directors of Anagram LLC approving such Affiliate Transaction and a related Officer 's Certificate certifying that such Affiliate Transaction is on terms that are not less favorable to the Issuers or their relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuers or such Restricted Subsidiary with an unrelated Person on an arm's-length basis; and

(iii) with respect to transactions or series of transactions involving aggregate payments or consideration in excess of $15.0 million, the Issuers deliver to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuers or such Restricted Subsidiary from a financial point of view or stating that the terms are not less favorable, when taken as a whole, to the Issuers or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuers or such Restricted Subsidiary with an unrelated Person on an arm's-length basis.

(b) Section 4.07(a) shall not apply to the following:

(i) transactions between or among the Issuers or any of their Restricted Subsidiaries otherwise permitted under this Indenture ;

(ii) Restricted Payments permitted by Section 4.04;

(iii) the payment of reasonable and customary fees and reimbursement of reasonable expenses and compensation paid to, and indemnities provided on behalf of or for the benefit of, future, present or former employee, officer, director, member of management or consultant (or the estate, heirs, family members, spouse, former spouse, domestic partner or former domestic partner of any of the foregoing) of the Issuers or any of their Restricted Subsidiaries ;

(iv) any agreement as in effect as of the Issue Date and listed on Schedule 3 hereto, or any amendment thereto or replacement thereof (so long as any such amendment or replacement is not disadvantageous to the Holder s as compared to the applicable agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by the Issuers ;

(v) transactions with customers, clients, suppliers, contractors, or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business or that are consistent with past practice and otherwise in compliance with the terms of this Indenture which are fair to the Issuers and their Restricted Subsidiaries , in the reasonable determination of the board of directors of the Issuers , or are on terms at least as favorable as would reasonably have been obtained at such time from an unaffiliated party on an arm's length basis;

(vi) payments or loans (or cancellation of loans) or advances to employees, officers, directors, members of management or consultants (or the estate, heirs, family members, spouse, former spouse, domestic partner or former domestic partner of any of the foregoing) of the Issuers or any of their Restricted Subsidiaries and employment agreements, severance arrangements, stock option plans and other similar arrangements with such employees, officers, directors, members of management or consultants (or the estate, heirs, family members, spouse, former spouse, domestic partner or former domestic partner of any of the foregoing) which, in each case, are made in the ordinary course of business and approved by a majority of the disinterested board of directors of the Issuers in good faith;

(vii) any contribution to the capital of the Issuers or any Restricted Subsidiary ;

(viii) the issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by a majority of the disinterested members of the board of directors of the Issuers in good faith;

(ix) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Issuers in an Officer 's Certificate) for the purposes of improving the consolidated tax efficiency of the Issuers and its Subsidiaries and not for the purpose of circumventing any covenant set forth in this Indenture ; and

(x) transactions pursuant to or required by the Intra-Company Agreements .

SECTION 4.08. Change of Control .

(a) Upon the occurrence of a Change of Control after the Issue Date , unless the Issuers have previously or concurrently sent a redemption notice with respect to all the outstanding Securities as described in Article 3 hereto, the Issuers and/or the Parent will make an offer to purchase all of the Securities pursuant to the offer described below (the "Change of Control Offer ") at a price in cash (the "Change of Control Payment ") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) to, but not including, the date of purchase, subject to the right of Holder s of record of the Securities on the relevant record date to receive interest due on the relevant interest payment date.

(b) Within 30 days following any Change of Control , the Issuers and/or the Parent , as applicable, will send notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee , to each Holder of Securities to the registered address of such Holder or otherwise in accordance with the procedures of DTC , with the following information:

(i) that a Change of Control has occurred and the circumstances and relevant facts and information regarding such Change of Control ;

(ii) that a Change of Control Offer is being made pursuant to this Section 4.08, and that all Securities properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuers and/or the Parent , as applicable, at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest (including PIK Interest , which for the avoidance of doubt shall be paid in cash) to, but not including, the date of repurchase, subject to the right of Holder s of records of the Securities on the relevant record date to receive interest (including PIK Interest) due on the relevant interest payment date;

(iii) the purchase price and the purchase date, which shall be no earlier than 15 days nor later than 60 days from the date such notice is mailed or otherwise delivered (the "Change of Control Payment Date "), subject to the extension (in the case where such notice was mailed or otherwise delivered prior to the occurrence of the Change of Control) in the event that occurrence of the Change of Control is delayed;

(iv) that any Security not properly tendered will remain outstanding and continue to accrue interest;

(v) that unless the Issuers and/or the Parent , as applicable, default in the payment of the Change of Control Payment , all Securities accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date ;

(vi) that Holder s electing to have any Securities purchased pursuant to a Change of Control Offer will be required to surrender such Securities , with the form entitled "Option of Holder to Elect Purchase " on the reverse of such Securities completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date ;

(vii) that Holder s will be entitled to withdraw their tendered Securities and their election to require the Issuers and/or the Parent , as applicable, to purchase such Securities ; *provided* that the Paying Agent receives, not later than the close of business on the second Business Day prior to the Change of Control Payment Date , facsimile transmission or letter setting forth the name of the Holder of the Securities , the principal amount of Securities tendered for purchase, and a statement that such Holder is withdrawing its tendered Securities and its election to have such Securities purchased;

(viii) if such notice is delivered prior to the occurrence of a Change of Control , stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and shall describe each such condition, and, if applicable, shall state that, in the Issuers ' and/or the Parent 's discretion, as applicable, the Change of Control Payment Date may be delayed until such time as any or all such conditions shall be satisfied, or that such repurchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Change of Control Payment Date , or by the Change of Control Payment Date as so delayed; and

(ix) the other instructions, as determined by the Issuers and/or the Parent , as applicable, consistent with this Section 4.08, that a Holder must follow.

Securities repurchased by the Issuers and/or the Parent , as applicable, pursuant to a Change of Control Offer will have the status of Securities issued but not outstanding or will be retired and cancelled at the option of the Issuers and/or the Parent , as applicable. Securities purchased by a third party pursuant to the preceding paragraph will have the status of Securities issued and outstanding.

The notice, if mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. If (a) the notice is mailed in a manner herein provided and (b) any Holder fails to receive such notice or a Holder receives such notice but it is defective, such Holder 's failure to receive such notice or such defect shall not affect the validity of the proceedings for the purchase of the Securities as to all other Holder s that properly received such notice without defect.

The Issuers and/or the Parent , as applicable, shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase by the Issuers and/or the Parent , as applicable, of Securities pursuant to a Change of Control Offer . To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture , the Issuers and/or the Parent , as applicable, will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(c) On the Change of Control Payment Date , the Issuers and/or the Parent , as applicable, shall, to the extent permitted by law,

(1) accept for payment all Securities issued by it or portions thereof properly tendered pursuant to the Change of Control Offer ;

(2) deposit with the Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Securities or portions thereof so tendered; and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Securities so accepted together with an Officer 's Certificate to the Trustee stating that such Securities or portions thereof have been tendered to and purchased by the Issuers and/or the Parent , as applicable.

(d) The Issuers and/or the Parent , as applicable, shall not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuers and/or the Parent , as applicable, and purchases all Securities validly tendered and not withdrawn under such Change of Control Offer . Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control , conditional upon such Change of Control , if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer .

(e) Other than as specifically provided in this Section 4.08, any purchase pursuant to this Section 4.08 shall be made pursuant to the provisions of Section s 3.04, 3.07 and 3.08 hereof.

SECTION 4.09. Compliance Certificate.

(a) The Issuers shall deliver to the Trustee within 120 days after the end of each fiscal year of the Issuers , beginning with the fiscal year ending on or about December 31, 2020, a certificate (the signer of which shall be the principal executive officer, the principal financial officer or the principal accounting officer of the Issuers) stating that in the course of the performance by the signer of the signer's duties as an Officer of the Issuers the signer would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period. If the signer does, the certificate shall describe the Default , its status and the action the Issuers are taking or propose to take with respect thereto.

(b) The Issuers shall, so long as any Second Lien Notes are outstanding, deliver to the Trustee and the Collateral Trustee , within five Business Day s after any Default or Event of Default , an Officer 's Certificate specifying such Default or Event of Default and what action the Issuers are taking or propose to take with respect thereto.

(c) Together with the delivery of each officer's certificate delivered pursuant to Section 4.09(a) hereof, the Issuers shall deliver to the Collateral Trustee a Perfection Certificate Supplement (as defined in the Security Agreement), either confirming that there has been no change in the information contained in the Perfection Certificate (as defined in the Security Agreement) delivered on the Issue Date , or the date on which the most recent Perfection Certificate Supplement was delivered to the Collateral Trustee , or identifying changes to such information previously disclosed.

SECTION 4.10. Further Instruments and Acts. Upon request of the Trustee , the Issuers shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture .

SECTION 4.11. Guarantee s. The Issuers shall cause each of their Subsidiaries (other than Immaterial Subsidiaries) to execute a Guarantee and become a Guarantor unless prohibited by applicable law, subject to the last sentence of Section 10.06. Each Guarantee shall be released in accordance with Section 10.02(b) or (c), as applicable.

SECTION 4.12. Lien s. The Issuers shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Lien s) that secures obligations under any Indebtedness or any related guarantee, on any asset or property of the Issuers or any Restricted Subsidiary , or any income or profits therefrom, or assign or convey any right to receive income therefrom.

The expansion of Lien s by virtue of accrual of interest, the accretion of accreted value, amortization of original issue discount and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Lien s for purposes of this Section 4.12.

SECTION 4.13. Maintenance of Office or Agency.

(a) The Issuers shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where Securities may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers in respect of the Securities and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the corporate trust office of the Trustee as set forth in Section 12.01; *provided* that no service of legal process may be made against the Issuers at any office of the Trustee .

(b) The Issuers may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency for such purposes. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Issuers hereby designate the corporate trust office of the Trustee or its agent as such office or agency of the Issuers in accordance with Section 2.04.

SECTION 4.14. Minimum Liquidity. The Issuers shall at all times maintain Unrestricted Cash on a consolidated basis of not less than U.S. $1.0 million. The Issuers shall deliver to the Trustee not later than the applicable dates on which financial statements of the Issuers relating to such period are due in accordance with this Indenture an Officer 's Certificate confirming compliance with this Section 4.14. The Issuers shall deliver to the Trustee and the Collateral Trustee , within five Business Day s after any Default in compliance with this Section 4.14, an Officer 's Certificate specifying such Default and what action the Issuers are taking or propose to take with respect thereto. The Trustee shall send to each Holder notice of such Default within five Business Day s of the Trustee 's receipt of such written notice.

SECTION 4.15. Intra-Company Agreements . The Intra-Company Agreements (a) shall not be amended, modified or otherwise changed, or the rights of the Issuers or the obligations of the counterparties thereto waived, in each case, in any manner that is adverse in any material respect to the Issuers or the Holder s , and (b) shall remain at all times in full force and effect and the Issuers and Parent will adhere to all terms and provisions thereof in all material respects.

SECTION 4.16. Limitation on Anagram LLC Activities. Anagram LLC shall not (a) incur, directly or indirectly, any Indebtedness other than (i) the Securities and First Lien Notes or (ii) other Indebtedness permitted under this Indenture ; (b) create or suffer to exist any Lien upon any property or assets now owned or hereafter acquired by it other than (i) the Lien s created in connection with the issuance of the Second Lien Notes , First Lien Notes or the Security Documents or (ii) Permitted Lien s on the Collateral ; (c) engage in any business activity or own any material assets other than (i) holding
100.0% of the Capital Stock of the Company and, indirectly, any other Subsidiary of the Company , (ii) performing its Obligations under this Indenture , the First Lien Indenture and other Indebtedness , Lien s and Guarantee s permitted hereunder, (iii) such activities necessary to maintain its corporate existence, and (iv) activities incidental to the foregoing clauses (c)(i) through (c)(iv); or (d) fail to hold itself out to the public as a legal entity separate and distinct from all other Person s.

SECTION 4.17. Prepayment of First Lien Notes . Notwithstanding any other provision of this Indenture , the Securities may not be repurchased, redeemed or otherwise repaid prior to the repurchase, redemption or repayment in full of the First Lien Notes ; *provided* that the Securities may be repurchased at any time pursuant to an Asset Sale Offer made pursuant to the terms of Section 4.06 hereof.

ARTICLE 5

SUCCESSOR COMPANY

SECTION 5.01. Merger, Consolidation or Sale of All or Substantially All Assets.

(a) The Issuers shall not consolidate or merge with or into or wind up into (whether or not the Issuers are the surviving corporations), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of their properties or assets, in one or more related transactions, to any Person unless:

(i) the Issuers are the surviving Person (s) or the Person (s) formed by or surviving any such consolidation or merger (if other than the Issuers) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the jurisdiction of organization of the Issuers or the laws of the United States, any state thereof, the District of Columbia (the Issuers or such Person (s), as the case may be, being herein called the "Successor Company "); *provided* that in the case where the Successor Company is not a corporation, a co-obligor of the Securities is a corporation;

(ii) the Successor Company , if other than the Issuers , expressly assumes all the obligations of the Issuers under this Indenture and the Securities pursuant to supplemental indentures or other documents or instruments;

(iii) the Successor Company , if other than the Issuers , executes and delivers to the Collateral Trustee a Grantor Supplement pursuant to which such Successor Company shall be subject to the terms of the applicable Security Documents , and

concurrently with the execution and delivery of such Grantor Supplement , the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer 's Certificate to the effect that such Grantor Supplement has been duly authorized, executed and delivered by such Successor Company and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the security interest of such Successor Company is a valid and binding obligation of such Successor Company , enforceable against such Successor Company in accordance with its terms;

(iv) both immediately before and immediately after such transaction, no Default shall have occurred and be continuing;

(v) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four-quarter period, either:

(A) the Successor Company would have a Fixed Charge Coverage Ratio of at least 2.0 to 1.0; or

(B) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or greater than the Fixed Charge Coverage Ratio for the Issuers and its Restricted Subsidiaries immediately prior to such transaction;

(vi) each Guarantor , unless it is the other party to the transactions described above, in which case Section 5.01(b)(i)(B) shall apply, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person 's obligations under this Indenture and the Securities ; and

(vii) the Successor Company shall have delivered to the Trustee an Officer 's Certificate and an Opinion of Counsel , each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with this Indenture .

The Successor Company (if other than the Issuers) shall (x) succeed to, and be substituted for the Issuers , as the case may be, under this Indenture and the Securities , and upon the satisfaction by the Successor Company of its obligations under clause (y) below the Issuers will automatically be released and discharged from their obligations under this Indenture and the Securities and (y) execute and deliver to the Collateral Trustee a Grantor Supplement pursuant to which such Successor Company shall be subject to the terms of the applicable Security Documents , and concurrently with the execution and delivery of such Grantor Supplement , the Issuers shall deliver to the Trustee an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee and an Officer 's Certificate to the effect that such Grantor Supplement has been duly authorized, executed and delivered by such Successor Company and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the security interest of such Guarantor is a valid and binding obligation of such Successor Company , enforceable against such Successor Company in accordance with its terms and/or to such other matters as the Trustee may reasonably request, including such matters set out in Section 11.03(a)(iv) as applicable. Notwithstanding the foregoing clauses (iv), (v) and (vii) of Section 5.01(a) (which shall not apply to the following), any Restricted Subsidiary may

consolidate with or merge with or into or wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Issuers .

(b) No Guarantor shall, and the Issuers shall not permit any Guarantor to, consolidate or merge with or into or wind up into (whether or not the Issuers or Guarantor is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of their properties or assets in one or more related transactions to, any Person unless:

(i) (A) such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation, partnership or limited liability company organized or existing under the laws of the jurisdiction of organization of such Guarantor , as the case may be, or the laws of the United States, any state thereof, the District of Columbia or any territory thereof (such Guarantor or such Person , as the case may be, being herein called the "Successor Person "), (B) the Successor Person (if other than such Guarantor) expressly assumes all the obligations of such Guarantor under this Indenture and such Guarantor 's Guarantee pursuant to a supplemental indenture or other documents or instruments, (C) both immediately before and immediately after such transaction, no Default exists, and (D) the Successor Person shall have delivered to the Trustee an Officer 's Certificate and an Opinion of Counsel , each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with this Indenture ;

(ii) the Successor Person , if other than such Guarantor , executes and delivers to the Collateral Trustee a Grantor Supplement pursuant to which such Successor Person shall be subject to the terms of the applicable Security Documents , and concurrently with the execution and delivery of such Grantor Supplement , the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer 's Certificate to the effect that such Grantor Supplement has been duly authorized, executed and delivered by such Successor Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the security interest of such Successor Person is a valid and binding obligation of such Successor Person , enforceable against such Successor Person in accordance with its terms and/or to such other matters as the Trustee may reasonably request; or

(iii) the transaction is otherwise permitted by this Indenture , including any transaction consummated in compliance with clauses (i) and (ii) of Section 4.06(a) hereof.

Except as otherwise provided in this Indenture , the Successor Person (if other than such Guarantor) (x) will succeed to, and be substituted for, such Guarantor under this Indenture and such Guarantor 's Guarantee , and upon the satisfaction by the Successor Person of its obligations under clause
(y) below such Guarantor will automatically be released and discharged from its obligations under this Indenture and such Guarantor 's Guarantee and (y) execute and deliver to the Collateral Trustee a supplemental indenture in the form of Exhibit C pursuant to which such Successor Person shall guarantee the Guarantee d Obligations , and concurrently with the execution and delivery of such supplemental indenture, the Issuers shall deliver to the Trustee an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee and an Officer 's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Successor Person and/or to such other matters as the Trustee may reasonably request, including such matters set out in Section 11.03(a)(iv) as applicable.

Notwithstanding the foregoing, a Guarantor may consolidate with or merge with or into or wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to another Guarantor or the Issuers .

Clauses (v) and (vi) of Section 5.01(a) shall not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuers and the Guarantor s otherwise permitted under this Indenture .

SECTION 5.02. Successor Corporation Substituted. Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Issuers in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Issuers are merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the Issuers shall refer instead to the successor corporation and not to the Issuers), and may exercise every right and power of the Issuers under this Indenture with the same effect as if such Successor Person had been named as the Issuers herein; *provided* that the predecessor Issuers shall not be relieved from the obligation to pay the principal of and interest on the Securities except in the case of a sale, assignment, transfer, lease, conveyance or other disposition of all of the Issuers ' assets that meets the requirements of Section 5.01 hereof.

ARTICLE 6

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default . An "Event of Default " with respect to the Securities occurs if:

(a) there is a default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Securities ;

(b) there is a default for 30 days or more in the payment when due of interest on or with respect to the Securities (including, for the avoidance of doubt, PIK Interest);

(c) failure by the Issuers to comply with Section 5.01, or to make an offer to redeem or repurchase the Securities , if required, upon an Asset Sale or pursuant to Section 4.08;

(d) the Issuers or any Guarantor fails for 30 days after receipt of written notice given by the Trustee or the Holder s of not less than 25% in principal amount of the Securities (with a copy to the Trustee) to comply with any of its obligations, covenants or agreements (other than a default referred to in clauses (a), (b) and (c) above) contained in this Indenture , the Securities , the Security Documents , the First Lien Indenture , the First Lien Notes , the applicable Intercreditor Agreements , or the security documents in respect of the First Lien Obligation s;

(e) there is a default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuers or any of their Restricted Subsidiaries or the payment of which is guaranteed by the Issuers or any of their Restricted Subsidiaries , other than Indebtedness owed to the Issuers or a Restricted Subsidiary , whether such Indebtedness or guarantee now exists or is created after the issuance of the Securities , if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(ii) the principal amount of such Indebtedness , together with the principal amount of any other such indebtedness in default for failure to pay any principal at its stated maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate $10.0 million or more at any one time outstanding;

(f) the Issuers or any Significant Subsidiary , or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , fails to pay final judgments aggregating in excess of $10.0 million (net of amounts covered by insurance policies issued by insurance companies), which final judgments remain unpaid, undischarged, unwaived and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(g) the Issuers or any of their Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , pursuant to or within the meaning of any Bankruptcy Law :

(i) commences a voluntary case;

(ii) consents to the entry of an order for relief against it in an involuntary case;

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property; or

(iv) makes a general assignment for the benefit of its creditors or takes any comparable action under any foreign laws relating to insolvency;

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Issuers or any of their Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary , in a proceeding in which the Issuers or any such Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , is to be adjudicated bankrupt or insolvent;

(ii) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuers or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest

audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , or for all or substantially all of the property of the Issuers or any of their Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary ; or

(iii) orders the winding up or liquidation of the Issuers or any of their Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary ;

and the order or decree remains unstayed and in effect for 60 consecutive days;

(i) the Guarantee of any Significant Subsidiary , or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , shall for any reason cease to be in full force and effect (except as contemplated by the terms thereof) or any responsible officer of any Guarantor that is a Significant Subsidiary , or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers), would constitute a Significant Subsidiary , as the case may be, denies that it has any further liability under its or their Guarantee (s) or gives notice to such effect, other than by reason of the termination of this Indenture or the release of any such Guarantee in accordance with this Indenture ; or

(j) except (a) as expressly permitted by this Indenture , the Intercreditor Agreements and the applicable Security Documents , (b) upon the Termination Date (as defined in the Security Agreement) or the release of any such security interest in accordance with the terms of this Indenture , the Intercreditor Agreements and the applicable Security Documents or as required by any Intercreditor Agreement, (c) to the extent that any loss of perfection or priority results from the failure of the Collateral Trustee to maintain possession of certificates actually delivered to it representing securities pledged under the Security Documents or to authorize any Guarantor or the Issuers to file Uniform Commercial Code amendments relating to any Guarantor 's or Issuer's change of name or jurisdiction of formation after the Collateral Trustee having received prior written notice by the Issuers of the same and (d) in accordance with the applicable Security Document, if any material provision of the Security Documents or the Guarantee s shall for any reason cease to be in full force and effect and such default continues for 30 days or the Issuers shall so assert, or any security interest created, or purported to be created, by any of the Security Documents shall cease to be enforceable with respect to any material portion of the Collateral covered or purported to be covered thereby and such default continues for 30 days;

(k) there is a Default for four Business Day s or more by the Issuers in compliance with their obligations under Section 4.14; or

(l) there shall occur and be continuing any "Event of Default " under, and as defined in, the Second Lien Indenture .

In the event of any Event of Default specified in clause (d) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Securities) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holder s , if within 30 days after such Event of Default arose:

(i) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged; or

(ii) the requisite number of holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default ; or

(iii) the default that is the basis for such Event of Default has been cured, waived or is no longer continuing.

SECTION 6.02. Acceleration. If any Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01 hereof with respect to the Issuers) occurs and is continuing under this Indenture , the Trustee or the Holder s of at least 25% in principal amount of the then total outstanding Securities by notice to the Issuers (with a copy to the Trustee if from the Holder s) may declare the principal, premium, if any, and accrued but unpaid interest and any other monetary obligations on all the then outstanding Securities to be due and payable in cash immediately. Upon the effectiveness of such declaration, such principal and interest shall be due and payable in cash immediately. If an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the principal of, premium, if any, and accrued but unpaid interest on all Second Lien Notes will *ipso facto* become due and payable in cash immediately without any declaration or other act on the part of the Trustee or any Holder s . Without limiting the generality of the foregoing, it is understood and agreed that if the Securities are accelerated or otherwise become due prior to August 15, 2026, in each case, in respect of any Event of Default (including an Event of Default relating to certain events of bankruptcy, insolvency or reorganization (including the acceleration of claims by operation of law)), the Applicable Premium or the redemption price applicable pursuant to Section 3.09 hereof (for the avoidance of doubt, for purposes of this Section 6.02, the Applicable Premium applies prior to August 15, 2022, and the redemption price applicable pursuant to Section 3.09 hereof applies as of August 15, 2022 or thereafter) with respect to an optional redemption of the Securities (including any other premiums and fees, as applicable) shall also become due and payable immediately, irrespective of whether such obligation (in whole or in part) is paid in cash, or otherwise satisfied or discharged pursuant to a plan of reorganization or otherwise, as though the Securities had been optionally redeemed, and shall constitute part of the Secured Obligations . If the Applicable Premium or applicable redemption price, as applicable, becomes due and payable, it shall be deemed to be principal of the Securities and interest shall accrue on the full principal amount of the Securities (including the Applicable Premium or applicable redemption price and any other fees or premiums, as applicable,) from and after the applicable triggering Event of Default , including in connection with certain events of bankruptcy, insolvency or reorganization of the Issuers . The Applicable Premium or applicable redemption price payable pursuant to this Section 6.02 shall be presumed to be liquidated damages sustained by each Holder as the result of the acceleration of the Securities and the Issuers agree that it is reasonable under the circumstances currently existing. The Applicable Premium or applicable redemption price shall also be payable in cash in the event the Securities or this Indenture are satisfied, released or discharged through foreclosure, whether by judicial proceeding, deed in lieu of foreclosure or by any other means. THE ISSUERS EXPRESSLY WAIVE (TO THE FULLEST EXTENT THEY MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE APPLICABLE PREMIUM OR APPLICABLE REDEMPTION PRICE PURSUANT TO THIS SECTION 6.02 IN CONNECTION WITH ANY SUCH ACCELERATION. The Issuers expressly agree (to the fullest extent they may lawfully do so) that: (A) the Applicable Premium or applicable redemption price is reasonable and is the product of an arm's length transaction between sophisticated business entities ably represented by counsel; (B) the Applicable Premium or applicable redemption price shall be payable notwithstanding the then prevailing market rates at the time acceleration occurs; (C) there has been a course of conduct between Holder s and the Issuers giving specific consideration for such agreement to pay the Applicable Premium or applicable redemption price; (D) the Issuers shall be estopped hereafter from claiming differently than as agreed to in this Section 6.02; and (E) the Applicable Premium or the applicable redemption price represents a good faith, reasonable estimate and calculation of the lost profits or damages of the Holder s and that it would be impractical and extremely difficult to ascertain the actual

amount of damages to the Holder s or profits lost by the Holder s as a result of such acceleration. The Issuers expressly acknowledge that their agreement to pay the Applicable Premium or applicable redemption price to Holder s as herein described is a material inducement to Holder s to purchase the Securities .

The Holder s of a majority in aggregate principal amount of the then outstanding Securities by written notice to the Trustee (with a copy to the Issuers ; *provided* that any rescission under this Section 6.02 shall be valid and binding notwithstanding the failure to provide a copy of such notice to the Issuer) may on behalf of all of the Holder s rescind an acceleration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured, waived, annulled or rescinded except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and

(4) if the Issuers have paid the Trustee its reasonable compensation and reimbursed the Trustee for its expenses, disbursements and advances.

SECTION 6.03. Other Remedies. If an Event of Default with respect to the Securities occurs and is continuing, the Trustee may pursue any available remedy at law or in equity to collect the payment of principal of, premium, if any, or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture .

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default . No remedy is exclusive of any other remedy. To the extent permitted by law, all available remedies are cumulative.

SECTION 6.04. Waiver of Past Default s. The Holder s of not less than a majority in principal amount of the then outstanding Securities by written notice to the Trustee (with a copy to the Issuers ; *provided* that any waiver under this Section 6.04 shall be valid and binding notwithstanding the failure to provide a copy of such notice to the Issuers) may on the behalf of all Holder s waive an existing Default or Event of Default and its consequences, other than (a) a Default or Event of Default in the payment of the principal of, or premium, if any, or interest or PIK Interest on, any Security, (b) a Default or Event of Default described in clause (g) or (h) of Section 6.01, or (c) any Default or Event of Default in respect of any provision of this Indenture or the Securities which, under Section 9.02, cannot be modified or amended without the consent of the Holder of each outstanding Security affected. When a Default or Event of Default is so waived, it is deemed cured and the Issuers , the Trustee and the Holder s will be restored to their former positions and rights under this Indenture , but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Holder s of a majority in principal amount of the then outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee . However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture

or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of any other Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such directions are unduly prejudicial to such Holder) or that would involve the Trustee in personal liability. Prior to taking any action under this Indenture , the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits.

(a) Except to enforce the right to receive payment of principal, premium (if any) or interest (including PIK Interest) when due, no Holder may pursue any remedy with respect to this Indenture or the Securities unless:

(i) Such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(ii) Holder s of at least 25% in principal amount of the total outstanding Securities have requested the Trustee , in writing, to pursue the remedy;

(iii) Holder s of the Securities have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;

(iv) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(v) Holder s of a majority in principal amount of the total outstanding Securities have not given the Trustee a written direction inconsistent with such request within such 60-day period.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holder s).

SECTION 6.07. Rights of the Holder s to Receive Payment. Notwithstanding any other provision of this Indenture , the right of any Holder to receive payment of principal of, premium, if any, and interest on the Securities held by such Holder , on or after the respective due dates expressed or provided for in the Securities , or to bring suit for the enforcement of any such payment on or after such respective dates, shall be absolute and unconditional and such right shall not be impaired or affected without the consent of such Holder .

SECTION 6.08. Collection Suit by Trustee . If an Event of Default specified in Section 6.01(a), (b) or (c) occurs and is continuing with respect to Securities , the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuers or any other obligor on the Securities for the whole amount then due and owing (together with interest on overdue principal and (to the extent lawful) on any unpaid interest at the rate provided for in such Securities) and the amounts provided for in Section 7.06.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation, expenses disbursements and advances of

the Trustee (including counsel, accountants, experts or such other professionals as the Trustee deems necessary, advisable or appropriate)) and the Holder s o f Securities then outstanding allowed in any judicial proceedings relative to the Issuers or any Guarantor , its creditors or its property, shall be entitled to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matters and, unless prohibited by law or applicable regulations, may vote on behalf of the Holder s in any election of a trustee in bankruptcy or other Person performing similar functions, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holder s , to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee , its agents and its counsel, and any other amounts due the Trustee under Section 7.06. Nothing in this Indenture will be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder , any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities. If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Trustee (acting in any capacity hereunder) for amounts due under Section 7.06;

SECOND: to the Holder s for amounts due and unpaid on the Securities for principal, premium, if any, and interest (including PIK Interest), ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal, premium, if any, interest (including PIK Interest) and all other amounts owed to the Holder s hereunder; and

THIRD: to the Issuers or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment to the Holder s pursuant to this Section . At least 15 days before such record date, the Trustee shall send to each Holder and the Issuers a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee , a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee , a suit by a Holder pursuant to Section 6.07 or a suit by Holder s of more than 10% in principal amount of the Securities then outstanding.

SECTION 6.12. Waiver of Stay or Extension Laws. Neither the Issuers nor any Guarantor (to the extent it may lawfully do so) shall at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture ; and the Issuers and each Guarantor (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee , but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

TRUSTEE

SECTION 7.01. Duties of Trustee .

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default :

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee (it being agreed that the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty); and

(ii) in the absence of gross negligence, willful misconduct or bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture . However, in the case of certificates or opinions required by any provision hereof to be provided to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section ;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05; and

(iv) no provision of this Indenture , the Securities or the Security Documents shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights, powers or duties if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(d) [reserved].

(e) The Trustee shall not be liable for interest or investment income on any money received by it except as the Trustee may agree in writing with the Issuers .

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section .

(h) Unless otherwise specifically provided in this Indenture , any demand, request, direction or notice from the Issuers will be sufficient if signed by an Officer of each Issuer.

SECTION 7.02. Rights of Trustee .

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer 's Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer 's Certificate or Opinion of Counsel .

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture ; *provided*, *however*, that the Trustee 's conduct does not constitute gross negligence, willful misconduct or bad faith as determined by a nonappealable order of a court of competent jurisdiction.

(e) The Trustee may consult with counsel of its own selection and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the Holder s of not less than a majority in principal amount of the Securities at the time outstanding, but the Trustee , in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuers , personally or by agent or attorney, at the expense of the Issuers and shall incur no liability of any kind by reason of such inquiry or investigation.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holder s pursuant to this Indenture , unless such Holder s shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee , including its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(i) The Trustee shall not be liable for any action taken or omitted by it in good faith at the direction of the Holder s of not less than a majority in principal amount of the outstanding Securities as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture .

(j) Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Holder of any Security shall be conclusive and binding upon future Holder s of Securities and upon Securities executed and delivered in exchange therefor or in place thereof.

(k) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(m) The Trustee may request that the Issuers deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture , the Securities and the Security Documents .

(n) The Trustee shall not be deemed to have knowledge of any fact or matter unless such fact or matter is known to a Trust Officer of the Trustee .

(o) The permissive rights of the Trustee under this Indenture and the Security Documents shall not be construed as duties.

(p) Each of the above described rights (a) through (o) hereof shall inure to the benefit of and be enforceable by the Collateral Trustee hereunder and under the Intercreditor Agreements and the Security Documents .

SECTION 7.03. Individual Rights of Trustee . The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Issuers or their Affiliate s with the same rights it would have if it were not Trustee . Any Paying Agent or Registrar may do the same with like rights. However, the Trustee must comply with Section 7.09.

SECTION 7.04. Trustee 's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture , any Guarantee or the Security Documents or the Securities , it shall not be accountable for the Issuers ' use of the proceeds from the Securities , and it shall not be responsible for any statement of the Issuers or any Guarantor in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee 's or its agent's certificate of authentication. The Trustee shall not be charged with knowledge of any Default or Event of Default unless either (a) a Trust Officer shall have actual knowledge thereof or (b) the Trustee shall have received written notice thereof in accordance with Section
12.01 hereof from the Issuers , any Guarantor or any Holder . In accepting the trust hereby created, the

Trustee acts solely as Trustee for the Holder s and not in its individual capacity and all persons, including without limitation the Holder s of Securities and the Issuers having any claim against the Trustee arising from this Indenture shall look only to the funds and accounts held by the Trustee hereunder for payment.

SECTION 7.05. Notice of Default s. If a Default (other than a Default with respect to Section 4.14) occurs and is continuing and if it is actually known to a Trust Officer of the Trustee , the Trustee shall send to each Holder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee , or promptly after discovery or obtaining notice if such discovery is made or notice is received 90 days after the Default occurs. Except in the case of a Default in the payment of principal of, premium (if any) or interest (including PIK Interest) on any Security, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of the Holder s .

SECTION 7.06. Compensation and Indemnity. The Issuers , jointly and severally, shall pay to the Trustee (acting in any capacity hereunder) and the Collateral Trustee from time to time such compensation for its services as shall be agreed in writing between the Issuers , the Trustee and the Collateral Trustee . The Trustee and the Collateral Trustee 's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers , jointly and severally, shall reimburse the Trustee and the Collateral Trustee , as applicable, upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services, except any such disbursements, advances or expenses as may be attributable to its gross negligence, willful misconduct or bad faith as determined by a final nonappealable order of a court of competent jurisdiction. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee and the Collateral Trustee 's agents, counsel, accountants and experts. The Issuers and each Guarantor , jointly and severally, shall indemnify the Trustee (acting in any capacity hereunder) and the Collateral Trustee against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of this trust and the performance of its duties under this Indenture , including the costs and expenses of enforcing this Indenture or Guarantee against the Issuers or a Guarantor (including this Section 7.06) and defending itself against or investigating any claim (whether asserted by the Issuers , any Guarantor , any Holder or any other Person). The obligation to pay such amounts shall survive the payment in full or defeasance of the Securities or the removal or resignation of the Trustee or the Collateral Trustee . The Trustee and the Collateral Trustee shall notify the Issuers of any claim for which they may seek indemnity promptly upon obtaining actual knowledge thereof; *provided*, *however*, that any failure to so notify the Issuers shall not relieve the Issuers or any Guarantor of its indemnity obligations hereunder. The Issuers shall defend the claim and the indemnified party shall provide reasonable cooperation at the Issuers ' expense in the defense. Such indemnified parties may have separate counsel and the Issuers and the Guarantor s, as applicable, shall pay the fees and expenses of such counsel; *provided*, *however*, that the Issuers shall not be required to pay such fees and expenses if the Issuers assume such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuers and the Guarantor s, as applicable, and such parties in connection with such defense; *provided*, *further* that the Issuers shall be required to pay the reasonable fees and expenses of such counsel in evaluating such conflict. The Issuers need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, gross negligence or bad faith as determined by a final nonappealable order of court of competent jurisdiction.

To secure the Issuers ' and the Guarantor s' payment obligations in this Section , the Trustee and the Collateral Trustee shall have a Lien prior to the Securities on all money or property held or collected by the Trustee and the Collateral Trustee other than money or property held in trust to pay principal of and interest on particular Securities pursuant to Article 8 hereof or otherwise.

The Issuers ' and the Guarantor s' payment obligations pursuant to this Section shall survive the satisfaction or discharge of this Indenture , any rejection or termination of this Indenture under any Bankruptcy Law or the resignation or removal of the Trustee or the Collateral Trustee . Without prejudice to any other rights available to the Trustee or the Collateral Trustee under applicable law, when the Trustee or the Collateral Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(f) or (g) with respect to the Issuers , the expenses are intended to constitute expenses of administration under the Bankruptcy Law .

No provision of this Indenture shall require the Trustee or the Collateral Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if adequate indemnity against such risk or liability is not assured to its satisfaction.

SECTION 7.07. Replacement of Trustee or Collateral Trustee .

(a) A resignation or removal of the Trustee or Collateral Trustee and appointment of a successor Trustee or Collateral Trustee , as applicable, will become effective only upon the applicable successor Trustee 's or Collateral Trustee 's acceptance of appointment as provided in this Section 7.07.

(b) The Trustee or Collateral Trustee , as applicable, may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers . The Holder s of a majority in aggregate principal amount of the then outstanding Securities may remove the Trustee or Collateral Trustee , as applicable, by so notifying the Trustee or Collateral Trustee , as applicable, and the Issuers in writing, and may appoint a successor Trustee or Collateral Trustee , as applicable. The Issuers may remove the Trustee or Collateral Trustee if:

(i) the Trustee or Collateral Trustee , as applicable, fails to comply with Section 7.09;

(ii) the Trustee or Collateral Trustee , as applicable, is adjudged bankrupt or insolvent, or an order for relief is entered with respect to the Trustee or Collateral Trustee under any Bankruptcy Law ;

(iii) a receiver or other public officer takes charge of the Trustee or Collateral Trustee , as applicable, or its property; or

(iv) the Trustee or Collateral Trustee , as applicable, otherwise becomes incapable of acting.

(c) If the Trustee or Collateral Trustee resigns, is removed by the Issuers or by the Holder s of a majority in principal amount of the Securities and such Holder s do not reasonably promptly appoint a successor Trustee or Collateral Trustee , as applicable, or if a vacancy exists in the office of Trustee or Collateral Trustee , as applicable, for any reason (the Trustee or Collateral Trustee , as applicable, in any such event being referred to herein as the retiring Trustee or retiring or Collateral Trustee , as applicable), the Issuers shall promptly appoint a successor Trustee or Collateral Trustee , as applicable.

(d) A successor Trustee or Collateral Trustee , as applicable, shall deliver a written acceptance of its appointment to the retiring Trustee or Collateral Trustee , as applicable, and to the Issuers . Thereupon the resignation or removal of the retiring Trustee or Collateral Trustee , as applicable, shall become effective, and the successor Trustee or Collateral Trustee , as applicable, shall have all the

rights, powers and duties of the Trustee or Collateral Trustee , as applicable, under this Indenture . The successor Trustee or Collateral Trustee , as applicable, shall mail a notice of its succession to the Holder s . The retiring Trustee or Collateral Trustee , as applicable, shall promptly transfer all property held by it as Trustee or Collateral Trustee , as applicable, to the successor Trustee or Collateral Trustee , as applicable, subject to the Lien provided for in Section 7.06. The retiring Trustee or Collateral Trustee , as applicable, shall have no responsibility or liability for any action or inaction of a successor Trustee or Collateral Trustee , as applicable.

(e) If a successor Trustee or Collateral Trustee , as applicable, does not take office within 60 days after the retiring Trustee or Collateral Trustee , as applicable, resigns or is removed, the retiring Trustee or Collateral Trustee , as applicable, or the Holder s of at least 10% in aggregate principal amount of the then outstanding Securities may petition at the expense of the Issuers any court of competent jurisdiction for the appointment of a successor Trustee or Collateral Trustee , as applicable.

(f) If the Trustee or Collateral Trustee , as applicable, fails to comply with Section 7.09, any Holder who has been a bona fide holder of a Security for at least six months may petition any court of competent jurisdiction for the removal of the Trustee or Collateral Trustee , as applicable, and the appointment of a successor Trustee or Collateral Trustee , as applicable.

(g) Notwithstanding the replacement of the Trustee or Collateral Trustee , as applicable, pursuant to this Section , the Issuers ' obligations under Section 7.06 shall continue for the benefit of the retiring Trustee .

SECTION 7.08. Successor Trustee or Collateral Trustee by Merger. If the Trustee or Collateral Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation, limited liability company or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee or Collateral Trustee , as applicable.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture and any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee ; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture *provided* that the certificate of the Trustee , as applicable, shall have.

SECTION 7.09. Eligibility; Disqualification. The Trustee shall have a minimum combined capital and surplus as required by Section 310(a)(2) of the Trust Indenture Act .

ARTICLE 8

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.01. Discharge of Liability on Securities ; Defeasance. This Indenture shall be discharged and shall cease to be of further effect as to all outstanding Securities when either:

(1) (a) all Securities theretofore authenticated and delivered, except lost, stolen or destroyed Securities which have been replaced or paid and Securities for whose payment money has

theretofore been deposited in trust or segregated and held in trust by the Issuers and thereafter repaid to the Issuers or discharged from trust, have been delivered to the Trustee for cancellation; or

(b) (i) all Securities not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers and the Issuers or any Guarantor have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holder s of the Securities , cash in U.S. dollars, Government Securities , or a combination thereof, in such amounts as will be sufficient, without consideration of any reinvestment of interest to pay and discharge the entire indebtedness as determined by the Issuers on the Securities not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to, but not including, the date of maturity or redemption; (ii) the Issuers and/or the Guarantor s have paid or caused to be paid all sums payable by it under this Indenture ; and (iii) the Issuers have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Securities at maturity or the redemption date, as the case may be;

(c) In addition, the Issuers must deliver an Officer 's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

(2) Subject to Section 8.02, the Issuers may, at their option and at any time, elect to discharge (i) all of its obligations under the Securities and this Indenture ("legal defeasance option") or (ii) its obligations under Section s 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.11, 4.12 and 4.14 for the benefit of the Holder s and the operation of Section 5.01 and Section s 6.01(d), 6.01(e), 6.01(f), 6.01(g) (with respect to Significant Subsidiaries of the Issuers only), 6.01(h) (with respect to Significant Subsidiaries of the Issuers only) and 6.01(i) ("covenant defeasance option") for the benefit of the Holder s . The Issuers may exercise their legal defeasance option notwithstanding their prior exercise of their covenant defeasance option. In the event that the Issuers terminate all of their obligations under t h e Securities and this Indenture by exercising their legal defeasance option or their covenant defeasance option, the obligations of each Guarantor under its Guarantee of the Securities shall be terminated simultaneously with the termination of such obligations so long as no Securities are then outstanding.

(3) If the Issuers exercise their legal defeasance option, payment of the Securities so defeased may not be accelerated because of an Event of Default . If the Issuers exercise their covenant defeasance option, payment of the Securities so defeased may not be accelerated because of an Event of Default specified in Section 6.01(d), 6.01(e), 6.01(f), 6.01(g) (with respect to Significant Subsidiaries of the Issuers only), 6.01(h) (with respect to Significant Subsidiaries of the Issuers only), 6.01(i) or 6.01(j).

(4) Upon satisfaction of the conditions set forth herein and upon request of the Issuers , the Trustee shall acknowledge in writing the discharge of those obligations that the Issuers terminates.

(5) Notwithstanding paragraph 2(i) above, the Issuers ' obligations in Section s 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 4.15, 7.06, 7.07 and in this Article 8 shall survive until the Securities have been paid in full. Thereafter, the Issuers ' obligations in Section s 7.06, 8.05 and 8.06 shall survive such satisfaction and discharge.

SECTION 8.02. Conditions to Defeasance.

(a) The Issuers may exercise their legal defeasance option or their covenant defeasance option, in each case, with respect to the Securities only if:

(i) the Issuers shall irrevocably deposit with the Trustee , in trust, for the benefit of the Holder s of the Securities , cash in U.S. dollars, Government Securities , or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, investment bank or appraisal firm, to pay the principal of, premium, if any, and interest (including an amount of cash equal to all accrued and unpaid PIK Interest) due on the Securities on August 15, 2026 or on the redemption date, as the case may be, of such principal, premium, if any, or interest (including PIK Interest) on such Securities and the Issuers must specify whether such Securities are being defeased to maturity or to a particular redemption date;

(ii) in the case of the exercise of a legal defeasance option, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, (a) the Issuers have received from, or there has been published by, the United States Internal Revenue Service a ruling, or (b) since the issuance of the Securities , there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holder s of the Securities will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such exercise of a legal defeasance option and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such exercise of a legal defeasance option had not occurred;

(iii) in the case of exercise of a covenant defeasance option, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the Holder s of the Securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such exercise of a covenant defeasance option and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such exercise of a covenant defeasance option had not occurred;

(iv) no Default (other than that resulting from borrowing funds to be applied to make such deposit and the granting of Lien s in connection therewith) shall have occurred and be continuing on the date of such deposit;

(v) such exercise of a legal defeasance option or exercise of a covenant defeasance option shall not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than this Indenture) to which the Issuers or any Guarantor is a party or by which the Issuers or any Guarantor is bound (other than that resulting from any borrowing of funds to be applied to make the deposit required to effect such exercise of a legal defeasance option or exercise of a covenant defeasance option and any similar and simultaneous deposit relating to other Indebtedness , and, in each case, the granting of Lien s in connection therewith);

(vi) the Issuers shall have delivered to the Trustee an Officer 's Certificate stating that the deposit was not made by the Issuers with the intent of defeating,

hindering, delaying or defrauding any creditors of the Issuers or any Guarantor or others; and

(vii) the Issuers shall have delivered to the Trustee an Officer 's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the exercise of a legal defeasance option or the exercise of a covenant defeasance option, as the case may be, have been complied with.

Notwithstanding the foregoing, an Opinion of Counsel required by the immediately preceding paragraph with respect to legal defeasance need not be delivered if all of the Securities not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

(b) Before or after a deposit, the Issuers may make arrangements satisfactory to the Trustee for the redemption of such Securities at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Trustee shall hold in trust money or Government Securities (including proceeds thereof) deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from Government Securities through each Paying Agent and in accordance with this Indenture to the payment of principal of, premium, if any, and interest (including PIK Interest) on the Securities so discharged or defeased.

SECTION 8.04. Repayment to Issuer. Each of the Trustee and each Paying Agent shall promptly turn over to the Issuers upon written request any money or Government Securities held by it as provided in this Article 8 which, in the written opinion of a nationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if Government Securities have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article 8.

Subject to any applicable abandoned property law, the Trustee and each Paying Agent shall pay to the Issuers upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Holder s entitled to the money must look to the Issuers for payment as general creditors, and the Trustee and each Paying Agent shall have no further liability with respect to such monies.

SECTION 8.05. Indemnity for Government Securities . The Issuers , jointly and severally, shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited Government Securities or the principal and interest received on such Government Securities .

SECTION 8.06. Reinstatement. If the Trustee or any Paying Agent is unable to apply any money or Government Securities in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuers ' obligations under this Indenture and the Securities so discharged or defeased shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or any Paying Agent is permitted to apply all such money or Government Securities in accordance with this Article 8; *provided*, *however*, that, if the Issuers have made any payment of principal of or interest on, any such Securities because of the reinstatement of

its obligations, the Issuers shall be subrogated to the rights of the Holder s of such Securities to receive such payment from the money or Government Securities held by the Trustee or any Paying Agent .

ARTICLE 9

AMENDMENTS AND WAIVERS

SECTION 9.01. Without Consent of the Holder s . The Issuers , the Guarantor s (with respect to a Guarantee or this Indenture to which it is a party), the Trustee and/or the Collateral Trustee may amend or supplement this Indenture , any Guarantee , the Securities , the Intercreditor Agreements and any Security Document without the consent of any Holder :

(i) to cure any ambiguity, omission, mistake, defect or inconsistency as provided to the Trustee in an Officer 's Certificate ;

(ii) to provide for uncertificated Securities of such series in addition to or in place of certificated Securities ;

(iii) to comply with the provisions of Section 5.01 relating to mergers, consolidations and sales of assets;

(iv) to provide for the assumption of the Issuers ' or any Guarantor 's obligations to the Holder s in a transaction that complies with Section 5.01;

(v) to make any change that would provide any additional rights or benefits to the Holder s or that does not adversely affect the rights of any Holder under this Indenture ;

(vi) to add covenants for the benefit of the Holder s or to surrender any right or power conferred upon the Issuers or any Guarantor ;

(vii) to add a Guarantor under this Indenture or to release a Guarantor in accordance with the terms of this Indenture ;

(viii) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Securities as permitted by this Indenture , including, without limitation to facilitate the issuance and administration of the Securities ; *provided*, *however*, that (i) compliance with this Indenture as so amended would not result in Securities being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not adversely affect the rights of Holder s to transfer Securities ;

(ix) (A) to enter into additional or supplemental Security Documents or otherwise add Collateral to further secure the Securities or any Guarantee s or any other Obligations under this Indenture or (B) to make, complete or confirm any grant of Collateral permitted or required by this Indenture or any of the Security Documents or any release, termination or discharge of all or any portion of the Collateral that becomes effective as set forth in this Indenture or any of the Security Documents ;

(x) evidence and provide for the acceptance and appointment under this Indenture or the Intercreditor Agreements of a successor Trustee or successor Collateral Trustee pursuant to the requirements thereof or to provide for the accession by the

Trustee or the Collateral Trustee , as applicable, to this Indenture , the Intercreditor Agreements or any Security Document;

(xi) provide for the release of Collateral from the Lien , or the subordination of such Lien , permitted by the Indenture and the Security Documents or required by any Intercreditor Agreement, as the case may be;

(xii) (i) join any party to any Intercreditor Agreement to the extent permitted or required by the terms of this Indenture or required by the terms of such Intercreditor Agreement in connection with the ABL Credit Agreement , (ii) to effect the issuance, entry into, refinancing, extension, renewal or replacement of any ABL Obligations permitted by this Indenture or (iii) to supplement any schedules to any Security Document to the extent permitted or required by the terms thereof or by the terms of this Indenture ; or

(xiii) to add any First Lien Obligation s or ABL Obligations , in each case, to the extent permitted under this Indenture , or the Intercreditor Agreements , on the terms set forth therein and the terms of this Indenture .

After an amendment under this Section 9.01 becomes effective, the Issuers shall mail or otherwise send in accordance with the procedures of the Depositary to the Holder s a notice briefly describing such amendment. The failure to give such notice to all Holder s , or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

SECTION 9.02. With Consent of the Holder s . Notwithstanding Section 9.01 of this Indenture , the Issuers , the Guarantor s, the Trustee and the Collateral Trustee may amend or supplement this Indenture , the Securities , the Guarantee s, the Intercreditor Agreements and any Security Document with the written consent of the Holder s of at least a majority in principal amount of the Securities (including PIK Securities) then outstanding voting as a single class (including consents obtained in connection with a purchase of, tender offer or exchange offer for, the Securities), and, subject to Section s 6.04 and 6.07, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest (including PIK Interest) on the Securities , except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture , the Securities , the Security Documents , the Intercreditor Agreements or the Guarantee s may be waived with the consent of the Holder s of a majority in aggregate principal amount of the then outstanding Securities (including PIK Securities) voting as a single class (including consents obtained in connection with the purchase of, or tender offer or exchange offer for, Securities), other than the Securities beneficially owned by the Issuers or their Affiliate s; Section 2.09 and Section 12.04 shall determine which Securities are considered to be "outstanding" for the purposes of this Section 9.02. However, without the consent of each Holder of an outstanding Security affected, an amendment, supplement, waiver or other modification may not:

(i) reduce the principal amount of such Securities ;

(ii) reduce the principal of or change the fixed final maturity of any such Security or alter or waive the provisions with respect to the redemption of such Securities (other than provisions relating to Section s 4.06 and 4.08); *provided*, that any amendment to the notice requirements may be made with the consent of the Holder s of a majority in aggregate principal amount of then outstanding Securities prior to giving of any notice;

(iii) reduce the rate of or change the time for payment of interest (including PIK Interest) on any Security;

(iv) waive a Default in the payment of principal of or premium, if any, or interest on the Securities , except a rescission of acceleration of the Securities by the Holder s of at least a majority in aggregate principal amount of the Securities and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in this Indenture or any Guarantee which cannot be amended or modified without the consent of all affected Holder s ;

(v) make any Security payable in money other than that stated in such Security;

(vi) make any change in the provisions of this Indenture relating to waivers of past Default s or the rights of Holder s to receive payments of principal of or premium, if any, or interest (including any PIK Interest) on the Securities ;

(vii) make any change to this Section 9.02 that is adverse to the Holder s ;

(viii) impair the contractual right under this Indenture of any Holder to receive payment of principal of, premium, if any, and interest (including PIK Interest) on such Holder 's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder 's Securities ;

(ix) make any change to or modify the ranking of, or the priority of the Lien s securing, the Securities that would adversely affect the Holder s ; or

(x) except as expressly permitted by this Indenture , modify the Guarantee s of any Subsidiary .

It shall not be necessary for the consent of the Holder s under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.02 becomes effective, the Issuers shall promptly mail or otherwise send in accordance with the procedures of the Depositary to the Holder s a notice briefly describing such amendment. The failure to give such notice to all Holder s , or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

Notwithstanding anything herein to the contrary, without the consent of the Holder s of at least 85% in principal amount of the Securities then outstanding, no amendment, supplement or waiver may release all or substantially all of the Collateral other than in accordance with this Indenture , the Intercreditor Agreements and the Security Documents .

SECTION 9.03. Revocation and Effect of Consents and Waivers .

(a) A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder 's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder 's Security or portion of the Security if the Trustee receives written notice of revocation delivered

in accordance with Section 12.01 before the date on which the Trustee receives an Officer 's Certificate from the Issuers certifying that the requisite principal amount of Securities have consented. After an amendment or waiver becomes effective, it shall bind every Holder . An amendment or waiver becomes effective upon the (i) receipt by the Issuers or the Trustee of written consents by the Holder s of the requisite principal amount of securities, (ii) satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii) execution of such amendment or waiver (or supplemental indenture) by the Issuers and the Trustee .

(b) The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holder s entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture . If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Person s who were Holder s at such record date (or their duly designated proxies), and only those Person s, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Person s continue to be Holder s after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.04. Notation on or Exchange of Securities . If an amendment, supplement or waiver made pursuant to this Indenture changes the terms of a Security, the Issuers may require the Holder to deliver it to the Trustee . The Trustee may place a notation on the Security regarding the changed terms and return it to the Holder . Alternatively, if the Issuers so determine, the Issuers in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make a notation or to issue a new Security shall not affect the validity of such amendment, supplement or waiver.

SECTION 9.05. Trustee to Sign Amendments. The Trustee or the Collateral Trustee , as applicable, shall sign any amendment, supplement or waiver authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the Collateral Trustee , as the case may be. If it does, the Trustee or the Collateral Trustee , as the case may be, may but need not sign it. In signing such amendment, the Trustee or the Collateral Trustee , as applicable, shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to Section 7.01) shall be fully protected in conclusively relying upon, an Officer 's Certificate and an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuers and the Guarantor s, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof.

SECTION 9.06. Payment for Consent. Neither Issuer nor any Affiliate of the Issuers shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to all Holder s and is paid to all Holder s that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

SECTION 9.07. Additional Voting Terms; Calculation of Principal Amount. Except as otherwise set forth herein, all Securities issued under this Indenture shall vote and consent separately on all matters as to which any of such Securities may vote. Determinations as to whether Holder s of the requisite aggregate principal amount of Securities have concurred in any direction, waiver or consent shall be made in accordance with this Article 9 and Section 2.14.

ARTICLE 10

GUARANTEES

SECTION 10.01. Guarantee s.

(a) Each Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees on a senior secured basis, as a primary obligor and not merely as a surety, to each Holder and the Trustee (acting in any capacity hereunder, including as Collateral Trustee) and their successors and assigns (i) the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuers under this Indenture (including obligations to the Trustee) and the Securities , whether for payment of principal of, premium, if any, or interest (including PIK Interest) on the Securities and all other monetary obligations of the Issuers under this Indenture and the Securities and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuers whether for fees, expenses, indemnification or otherwise under this Indenture and the Securities , on the terms set forth in this Indenture by executing this Indenture .

On the Issue Date , the Guarantor s will jointly and severally irrevocably and unconditionally guarantee on a senior basis the Securities (the "Guarantee d Obligations ") by executing the Indenture . Each Guarantor further agrees that the Guarantee d Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor , and that each such Guarantor shall remain bound under this Article 10 notwithstanding any extension or renewal of any Guarantee d Obligation.

(b) Each Guarantor waives presentation to, demand of payment from and protest to the Issuers of any of the Guarantee d Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Securities or the Guarantee d Obligations .

(c) The obligations of each Guarantor hereunder shall not be affected by (i) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuers or any other Person under this Indenture , the Securities or any other agreement or otherwise; (ii) any extension or renewal of this Indenture , the Securities or any other agreement; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture , the Securities or any other agreement; (iv) the release of any security held by any Holder or the Trustee for the Guarantee d Obligations or any Guarantor ; (v) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guarantee d Obligations ; or (vi) any change in the ownership of such Guarantor .

(d) Each Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Guarantor s, such that such Guarantor 's obligations would be less than the full amount claimed. Each Guarantor hereby waives any right to which it may be entitled to have the assets of any Issuer first be used and depleted as payment of such Issuer's or such Guarantor 's obligations hereunder prior to any amounts being claimed from or paid by such Guarantor hereunder. Each Guarantor hereby waives any right to which it may be entitled to require that the Issuers be sued prior to an action being initiated against such Guarantor .

(e) Each Guarantor further agrees that its Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guarantee d Obligations .

(f) Except as expressly set forth in Section s 8.01(b), 10.02 and 10.06, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guarantee d Obligations or otherwise.

(g) Subject to Section 10.02 hereof, each Guarantor agrees that its Guarantee shall remain in full force and effect until payment in full of all the Guarantee d Obligations . Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guarantee d Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuers or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuers to pay the principal of or interest (including PIK Interest) on any Guarantee d Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guarantee d Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee , forthwith pay, or cause to be paid, in cash, to the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guarantee d Obligations , (ii) accrued and unpaid interest (including PIK Interest) on such Guarantee d Obligations (but only to the extent not prohibited by applicable law) and (iii) all other monetary obligations of the Issuers to the Trustee .

(i) Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Trustee in respect of any Guarantee d Obligations guaranteed hereby until payment in full of all Guarantee d Obligations . Each Guarantor further agrees that, as between it, on the one hand, and the Trustee , on the other hand, (i) the maturity of the Guarantee d Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guarantee d Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guarantee d Obligations as provided in Article 6, such Guarantee d Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section 10.01.

(j) Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section 10.01.

Upon request of the Trustee , each Guarantor shall promptly execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture .

SECTION 10.02. Limitation on Liability.

(a) Each Guarantor , and by its acceptance of Securities , each Holder , hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law , the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee . To effectuate the foregoing intention, the Trustee , the Holder s and the Guarantor s hereby irrevocably agree that, any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guarantee d Obligations guaranteed hereunder by any Guarantor shall

not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture , as it relates to such Guarantor , voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all Guarantee d Obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor 's *pro rata* portion of such payment based on the respective net assets of all the Guarantor s at the time of such payment determined in accordance with GAAP .

(b) A Guarantee as to any Guarantor shall be automatically and unconditionally released and discharged upon:

(i) (a) any sale, exchange, disposition or transfer (including through consolidation, merger or otherwise) of (x) the Capital Stock of such Guarantor , after which the applicable Guarantor is no longer a Restricted Subsidiary , or (y) all or substantially all the assets of such Guarantor , which sale, exchange, disposition or transfer in each case is made in compliance with Section 4.06(a)(i) and (ii); (b) upon the consolidation or merger of any Guarantor with and into the Issuers or another Guarantor that is the surviving Person in such consolidation or merger, or upon the liquidation of such Guarantor following the transfer of all of its assets to the Issuers or another Guarantor ; or (c) the Issuers exercising its legal defeasance option or covenant defeasance option as described under Article 8 or the Issuers ' obligations under this Indenture being discharged in accordance with the terms of this Indenture ; and

(ii) the Issuers delivering to the Trustee an Officer 's Certificate of such Guarantor or the Issuers and an Opinion of Counsel , each stating that all conditions precedent provided for in this Indenture relating to such transaction have been complied with.

(c) The Issuers will have the right, upon delivery of an Officer 's Certificate to the Trustee , to cause any Guarantor that has not guaranteed any other Indebtedness of the Issuers or any Guarantor , and is not otherwise required by the applicable terms of this Indenture to provide a Guarantee (all as certified pursuant to such Officer 's Certificate), to be unconditionally released and discharged from all obligations under its Guarantee , and such Guarantee will thereupon automatically and unconditionally terminate and be discharged and of no further force or effect; *provided*, that at the time of such release, no Event of Default shall have occurred and be continuing or would occur as consequences thereof (as certified pursuant to such Officer 's Certificate).

SECTION 10.03. Successors and Assigns. This Article 10 shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holder s and, in the event of any transfer or assignment of rights by any Holder or the Trustee , the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture .

SECTION 10.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holder s in exercising any right, power or privilege under this Article 10 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holder s herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 10 at law, in equity, by statute or otherwise.

SECTION 10.05. Modification. No modification, amendment or waiver of any provision of this Article 10, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee , and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 10.06. Execution of Supplemental Indenture for Future Guarantor s. Each Subsidiary and other Person which is required to become a Guarantor pursuant to Section 4.11 or the first sentence of Section 10.01(a) after the Issue Date shall promptly (i) execute and deliver to the Trustee a supplemental indenture in the form of Exhibit C hereto pursuant to which such Subsidiary or other Person shall become a Guarantor under this Article 10 and shall guarantee the Guarantee d Obligations and (ii) execute and deliver to the Collateral Trustee a Grantor Supplement pursuant to which such Guarantor shall, subject to applicable legal limitations, be subject to the terms of the applicable Security Documents . Concurrently with the execution and delivery of such supplemental indenture and Grantor Supplement , the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer 's Certificate to the effect that such supplemental indenture and Grantor Supplement has been duly authorized, executed and delivered by such Subsidiary or other Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of such Guarantor is a valid and binding obligation of such Guarantor , enforceable against such Guarantor in accordance with its terms. Notwithstanding anything contained in this Indenture and any Security Documents , no Foreign Subsidiary shall be obligated to become a Guarantor or grant any Lien s on its assets or property to the extent and for so long as the incurrence of such Guarantee or granting of Lien s would reasonably be expected to give rise to or result in: any breach or violation of (1) statutory limitations, (2) corporate benefit, financial assistance, fraudulent preference, thin capitalization rules or capital maintenance rules, (3) binding and enforceable guidance and coordination rules or laws, or (4) corporate governance and fiduciary duty, rules or regulations (or analogous restrictions) in the case of each of the above clauses (1) through (4) of the applicable jurisdiction such Foreign Subsidiary is domiciled.

SECTION 10.07. Non-Impairment. The failure to endorse a Guarantee on any Security shall not affect or impair the validity thereof.

SECTION 10.08. Benefits Acknowledged. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Guarantee are knowingly made in contemplation of such benefits.

ARTICLE 11

SECURITY

SECTION 11.01. Security Interests. The due and punctual payment of the principal of, premium (if any), and interest (including PIK Interest) on, the Second Lien Notes and the Guarantee s when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of, premium (if any), and interest (including PIK Interest) on, the Second Lien Notes and performance of all other Secured Obligations of the Issuers and the Guarantor s, according to the terms hereunder, the Guarantee s and under the Security Documents , are secured by the security interests granted in the Collateral as provided in the applicable Security Documents . Each Holder , by its acceptance of any

Securities , consents and agrees (a) to the terms of the Security Documents and the Intercreditor Agreements (including, in each case, without limitation, the provisions providing for foreclosure and release of Collateral), as the same may be in effect or may be amended from time to time in accordance with their terms, (b) acknowledges that it has received a copy of the First Lien /Second Lien Intercreditor Agreement , (c) to the ranking of the Lien s provided for in the Intercreditor Agreements (including subordination of the Lien s securing the Obligations on the terms set forth in the First Lien /Second Lien Intercreditor Agreement), and that it will take no actions contrary to the provisions of the Intercreditor Agreements and (d) to the appointment of Ankura Trust Company , LLC, as Trustee and Collateral Trustee under this Indenture and as Collateral Trustee under the Security Documents . The foregoing provisions are intended as an inducement to the holders under the First Priority Debt Documents (as defined in the First Lien /Second Lien Intercreditor Agreement) and the Second Priority Debt Documents (as defined in the First Lien /Second Lien Intercreditor Agreement) to extend credit to the Issuers and such holders are intended third party beneficiaries of such provisions. Each Holder and the Trustee authorizes and directs the Collateral Trustee to enter into the Intercreditor Agreements and each Security Document, as collateral trustee for the Secured Parties , and to perform its respective obligations and exercise its rights thereunder in accordance therewith. The Issuers and the Guarantor s consent and agree to be bound by the terms of the applicable Security Documents , as the same may be in effect from time to time, and agree to perform their respective obligations thereunder in accordance therewith, and the Issuers will deliver to the Trustee copies of all documents delivered to the Collateral Trustee pursuant to the Security Documents , and will do or cause to be done, at the Issuers ' sole cost and expense, all such acts and things as may be required by the provisions of the Intercreditor Agreements and the Security Documents , to assure and confirm to the Collateral Trustee the security interest in the Collateral contemplated by the Security Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Secured Parties . The Issuers hereby agree that the Collateral Trustee shall hold the Collateral for the benefit of the Secured Parties pursuant to the Security Documents and the provisions of the First Lien /Second Lien Intercreditor Agreement .

SECTION 11.02. Intercreditor Agreements . Notwithstanding anything herein to the contrary, the priority of the Lien and security interest granted to the Collateral Trustee pursuant to the applicable Security Documents and the exercise of any right or remedy by the Trustee or Collateral Trustee hereunder and thereunder with respect to the Collateral are subject to the provisions of the Intercreditor Agreements . The Issuers and each Guarantor consents to, and agrees to be bound by the terms of the Intercreditor Agreements to the extent they are expressly applicable to such Person and to the extent it is a party thereto, and to perform its obligations thereunder in accordance with the terms therewith. In the event of any conflict between the terms of the Intercreditor Agreements on the one hand and this Indenture on the other, with respect to lien priority or rights and remedies in connection with the Collateral , the terms of the Intercreditor Agreements , shall govern.

SECTION 11.03. Further Assurances.

(a) Subject to last sentence of Section 10.06, the Issuers and each Guarantor shall:

(i) enter into the Security Documents , the Intercreditor Agreements and any amendments or supplements to the Security Documents as may be necessary in order to cause the Collateral Trustee (for the benefit of the Secured Parties) to have valid and perfected Lien s, with the relevant Lien priority, on the applicable Collateral , subject to Permitted Lien s ;

(ii) do, execute, acknowledge, deliver (subject to the applicable Intercreditor Agreement), record, file and register, as applicable, any and all acts, deeds, conveyances, security agreements, assignments, financing statements and continuations thereof,

termination statements, notices of assignment, transfers, certificates, assurances and other instruments as may be required by the applicable Security Documents , the Intercreditor Agreements or any applicable law or that the Collateral Trustee may reasonably request to maintain valid and perfected Lien s, with the relevant Lien priority, on the applicable Collateral , subject to Permitted Lien s ; provided, however, any deeds, conveyances, security agreements, assignments, notices of assignment, transfers, certificates, assurances and other instruments that are required to be executed, acknowledged and/or delivered by any of the Issuers or Guarantor s shall be in form and substance reasonably satisfactory to such Issuer or Guarantor , as the case may be;

(iii) acknowledge and agree that such Security Documents shall provide that the Holder s shall, automatically and without further action, become the beneficiaries of the pledges of property and assets to the Collateral Trustee pursuant to the Security Documents to the extent of any PIK Securities issued as payment of PIK Interest on the Securities and any increase in the principal amount of Securities as a result of the payment of PIK Interest ; and

(iv) at the time of delivery of a Grantor Supplement , deliver to the Trustee and the Collateral Trustee Opinions of Counsel in form and substance reasonably satisfactory to the Trustee that the Grantor Supplement has been duly authorized, executed and delivered by the applicable Grantor (as defined in the Security Agreement) and constitutes legal, valid, binding and enforceable obligations of such additional Grantor, subject to customary qualifications and limitations.

(b) With respect to any fee-owned real property of the Issuers or any Guarantor (x) having a Fair Market Value in excess of $1,000,000 as of the Issue Date or (y) acquired after the Issue Date having a Fair Market Value in excess of $1,000,000 as of the date of acquisition (such real property, in each case, being a "Material Real Estate Asset ") within 90 days thereafter (or within such longer period of time as reasonably consented to by the Collateral Trustee), the Issuers shall or shall cause the applicable Guarantor to:

(i) deliver to the Collateral Trustee , as mortgagee, for the benefit of the Secured Parties , fully executed mortgages, deeds of trust or similar documents under which a Lien is granted with respect to such real property ("Mortgages "), duly executed by the applicable Issuer or the applicable Guarantor , as the case may be, together with evidence of the completion (or satisfactory arrangements for the completion), of all recordings and filings of such Mortgage as may be necessary to create a valid perfected Lien , subject to Permitted Lien s , against the Material Real Estate Asset purported to be covered thereby;

(ii) deliver to the Collateral Trustee an ALTA mortgagee's title insurance policy or unconditional commitments therefor in favor of the Collateral Trustee in an amount equal to the Fair Market Value of the Material Real Estate Asset purported to be covered by the related Mortgage, insuring that the interests created by the Mortgage constitute valid Lien s thereon free and clear of all Lien s, other than Permitted Lien s and any other exceptions disclosed in such policy, dated not more than 45 days (or such longer date as to which Collateral Trustee may agree) prior to the date of such Mortgage, and such policy shall also include, to the extent available and issued at ordinary rates, customary endorsements reasonably requested by Collateral Trustee , and shall be accompanied by evidence of the payment in full (or satisfactory arrangements for the payment) of all expenses and premiums of the title company and all other sums required

in connection with the issuance of each title policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each Material Real Estate Asset in the appropriate real estate records;

(iii) deliver to the Collateral Trustee ALTA surveys of the Material Real Estate Asset purported to be covered by the related Mortgage, certified to Collateral Trustee and dated not more than 180 days prior to the date of such Mortgage, sufficient for the title insurance company to remove the standard survey exception from the title policy relating to such Material Real Estate Asset and, to the extent available, issue customary endorsements based on an ALTA survey as reasonably required by Collateral Trustee ; provided that, if the Issuers are able to obtain a "no change" affidavit acceptable to the title company and deliver such certificate to the title company to enable it to issue a customary endorsement removing all exceptions which would otherwise have been raised by the title company as a result of the absence of a current survey for such Material Real Estate Asset , then a current survey shall not be required;

(iv) deliver to the Collateral Trustee flood certifications with respect to the Material Real Estate Asset purported to be covered by the related Mortgage and evidence of flood insurance with respect to each Material Real Estate Asset that is located (x) in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards and (y) in a community that participates in the National Flood Insurance Program, in form and substance reasonably satisfactory to Collateral Trustee ;

(v) deliver an Opinion of Counsel to the Collateral Trustee that such Mortgage has been duly authorized, executed and delivered by such Issuer or such Guarantor , constitutes a legal, valid, binding and enforceable obligation of such Issuer or such Guarantor and creates a valid perfected Lien in the Material Real Estate Asset purported to be covered thereby, in each case, subject to customary exceptions and qualifications; and

(vi) deliver an Officer 's Certificate to the Collateral Trustee that each of the conditions in clauses (i) through (iv) above have been satisfied.

SECTION 11.04. Impairment of Security Interests. Neither the Issuers nor any of their Restricted Subsidiaries will (i) knowingly or negligently take or omit to take any action which would adversely affect or impair the Lien s granted in favor of the Secured Parties with respect to the Collateral (it being understood, that the incurrence of Permitted Lien s (except Permitted Lien s senior to the Lien s securing the Secured Obligations to the extent such Lien is required to be subordinated to or *pari passu* with the Lien s securing the Secured Obligations in accordance with this Indenture , any applicable Security Document or any Intercreditor Agreement) shall under no circumstances be deemed to materially impair the Lien s with respect to the Collateral), except that the Collateral may be discharged and released in accordance with this Indenture , the applicable Security Documents and the Intercreditor Agreements or as required by an Intercreditor Agreement, (ii) grant any Person , or permit any Person to retain (other than the Collateral Trustee or any agent for of a Secured Party) any Lien s on the Collateral , other than Permitted Lien s or (iii) enter into any agreement that requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person in a manner that conflicts with this Indenture , the Guarantee s, the Intercreditor Agreements or the Security Documents , as applicable.

SECTION 11.05 Maintenance of Collateral ; Collateral Trustee Obligations .

(a) The Collateral Trustee shall have no obligation whatsoever to the Trustee or any of the Holder s to assure that the Issuers and the Guarantor s comply with their obligations under this Section 11.05. In addition, the Collateral Trustee shall have no obligation whatsoever to the Trustee or any of the Holder s to assure that the Collateral exists or is owned by any Issuer or Guarantor or is cared for, protected, or insured or has been encumbered, Collateral Trustee 's Lien s have been properly or sufficiently or lawfully created, perfected, protected, maintained or enforced or are entitled to any particular priority, or to determine whether all of the property constituting Collateral intended to be subject to the Lien and security interest of the Security Documents has been properly and completely listed or delivered, as the case may be, or the genuineness, validity, marketability or sufficiency thereof or title thereto, or to exercise at all or in any particular manner or under any duty of care (other than the duty to use reasonable care with respect to any Collateral in its possession), disclosure, or to continue exercising, any of the rights, authorities, and powers granted or available to the Collateral Trustee pursuant to this Indenture , any Security Document or the Intercreditor Agreements other than pursuant to the instructions of the Holder s of a majority in aggregate principal amount of the Securities or as otherwise provided in the Security Documents . The Collateral Trustee shall have the right at any time with respect to any determination, designation, or judgment to be made in connection with this Indenture , the Security Documents and the Intercreditor Agreements to seek instructions from the Holder s with respect to such determination, designation or judgment.

(b) The parties hereto and the Holder s hereby agree and acknowledge that neither the Collateral Trustee nor the Trustee shall assume, be responsible for or otherwise be obligated for any liabilities, claims, causes of action, suits, losses, allegations, requests, demands, penalties, fines, settlements, damages (including foreseeable and unforeseeable), judgments, expenses and costs (including but not limited to, any remediation, corrective action, response, removal or remedial action, or investigation, operations and maintenance or monitoring costs, for personal injury or property damages, real or personal) of any kind whatsoever, pursuant to any environmental law as a result of this Indenture , the Intercreditor Agreements , the Security Documents or any actions taken pursuant hereto or thereto, *provided*, *however*, that the Collateral Trustee and/or Trustee shall be liable for all costs, losses, allegations, demands, penalties, fines, settlement, damages, judgments, expenses and costs on account of such Person 's gross negligence, willful misconduct or bad faith as determined by a nonappealable order of a court of competent jurisdiction. Further, the parties hereto and the Holder s hereby agree and acknowledge that in the exercise of its rights under this Indenture , the Intercreditor Agreements , if any, and the Security Documents , the Collateral Trustee may hold or obtain indicia of ownership primarily to protect the security interest of the Collateral Trustee in the Collateral and that any such actions taken by the Collateral Trustee shall not be construed as or otherwise constitute any participation in the management of such Collateral , except to the extent such conduct constitutes gross negligence, willful misconduct or bad faith as determined by a nonappealable order of a court of competent jurisdiction.

SECTION 11.06. Release of Lien s in Respect of the Obligations .

(a) The Collateral Trustee 's Lien s upon the Collateral will no longer secure the Obligations under this Indenture , and the right of the Holder s of Securities and such Obligations to the benefits and proceeds of the Collateral Trustee 's Lien s on the Collateral will terminate and be automatically released upon the occurrence of any of the following:

(1) pursuant to the Intercreditor Agreements in connection with the exercise of remedies by the ABL Administrative Agent or First Priority Collateral Trustee (as defined in the First Lien /Second Lien Intercreditor Agreement), as applicable, in accordance with the terms of the applicable Intercreditor Agreement, during the continuation of an event of default under the ABL Credit Agreement or the First Lien Indenture , as the case may be;

(2) the satisfaction and discharge of this Indenture pursuant to and as set forth in Article 8 hereof;

(3) in whole or in part, with the consent of the Holder s of the requisite percentage of Securities in accordance with the provisions of Article 9 hereof;

(4) the sale, transfer or other disposition of Collateral permitted under Section 4.06 hereof;

(5) in the case of a Guarantor that is released from its Guarantee hereunder pursuant to the terms of this Indenture , the release of the property and assets of such Guarantor , and Equity Interests issued by such Guarantor ;

(6) the property or asset is or becomes Excluded Collateral (as defined in the Security Documents);

(7) a legal defeasance or covenant defeasance under Article 8 hereof;

(8) in the case of any lease or other agreement or contract that is Collateral , upon termination of such lease, agreement or contract; and

(9) with respect to Collateral that is Capital Stock , upon the dissolution or liquidation of the issuer of that Capital Stock in a transaction that is not prohibited by this Indenture .

(b) The Collateral Trustee shall execute, upon request and at the Issuers ' expense, any documents, instruments, agreements or filings reasonably requested by the Issuers or any Guarantor to evidence such release of such Collateral ; *provided* that if the Collateral Trustee is required to execute any such documents, instruments, agreements or filings, the Collateral Trustee shall be fully protected in relying upon an Officer 's Certificate in connection with any such release stating that such release of Collateral is permitted to be released under this Indenture , the Intercreditor Agreements and/or the Security Documents , as applicable, and that all conditions precedent to such release in such documents have been complied with.

SECTION 11.07. The Collateral Trustee .

(a) The Collateral Trustee will hold (directly or through co-trustees or agents), and is directed by each Holder to so hold, and will be entitled to enforce, on behalf of the Holder s , all Lien s on the Collateral created by the Security Documents for their benefit and the benefit of the other Secured Parties , subject to the provisions of the Intercreditor Agreements . Neither the Issuers nor any of their respective Affiliate s may serve as Collateral Trustee .

(b) Except as provided in this Indenture and the Security Documents , the Collateral Trustee will not be obligated:

(1) to act upon directions purported to be delivered to it by any Person ;

(2) to foreclose upon or otherwise enforce any Lien ; or

(3) to take any other action whatsoever with regard to any or all of the Security Documents , the Lien s created thereby or the Collateral .

SECTION 11.08. Co-Collateral Trustee . At any time or times it shall be necessary or prudent in order to conform to any law of any jurisdiction in which any of the Collateral shall be located, or the Collateral Trustee shall be advised by counsel, satisfactory to it, that it is reasonably necessary in the interest of the Secured Parties , or the Holder s of at least a majority in principal amount of the Securities (including PIK Securities) then outstanding voting as a single class shall in writing so request the Collateral Trustee , or the Collateral Trustee shall deem it desirable for its own protection in the performance of its duties hereunder, the Collateral Trustee and the Issuers shall, at the reasonable request of the Collateral Trustee , execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company, or one or more persons approved by the Collateral Trustee (or the Holder s of at least a majority in principal amount of the Securities (including PIK Securities) then outstanding voting as a single class, as the case may be) and the Issuers , either to act as co-Collateral Trustee or co-Collateral Trustee s of all or any of the Collateral , jointly with the Collateral Trustee originally named herein or any successor or successors, or to act as separate collateral trustee or collateral trustees of any such property. In case an Event of Default shall have occurred and be continuing, the Collateral Trustee may act under the foregoing provisions of this Section 11.08 without the consent of the Issuers , and each Holder hereby appoints the Collateral Trustee as its trustee and attorney to act under the foregoing provisions of this Section 11.08 in such case.

SECTION 11.09. New Guarantor s; After-Acquired Property.

(a) Subject in each instance to the last sentence of Section 10.06 and the terms and conditions set forth in the Security Documents ,

(i) following the acquisition by any Issuer or Guarantor of any personal property that constitute Collateral , the Issuers , as soon as reasonably practicable after such property's acquisition or such property becoming an asset that constitutes Collateral and in no event after 60 days after such acquisition (or, in the event any Issuer or Guarantor is required to execute and deliver any account control agreement, collateral access agreement, bailee letters, or any other similar documents, agreements, letters or instruments, in each case in accordance with the Security Agreement or other applicable Security Documents , that require coordination with and approval of Person s other than the Collateral Trustee and any Issuer or Guarantor , within 90 days after such acquisition), shall, and shall cause each Guarantor to, and each such Guarantor shall do or cause to be done all acts and things that may be required by applicable law or as may be reasonably requested by the Collateral Trustee to perfect and maintain the perfection and priority of the Collateral Trustee 's Lien s on the Collateral , for the benefit of the Secured Parties , in each case, as contemplated by, and with the Lien priority required hereunder and under, the applicable Intercreditor Agreement and the Security Documents , all at the Issuers ' sole expense; and

(ii) following a Restricted Subsidiary (including a newly created one) becoming a Guarantor (or a Restricted Subsidiary no longer constituting an Immaterial Subsidiary), the Issuers shall as soon as reasonably practicable after such Restricted Subsidiary becomes a Guarantor pursuant to Section 10.06 cause all of such Restricted Subsidiary 's assets that constitute Collateral to be subjected to a Lien securing the Secured Obligations , and shall do or cause to be done all acts and things that may be required pursuant to the Security Agreement or by applicable law or as may be reasonably requested by the Collateral Trustee to perfect and maintain the perfection and priority of the Collateral Trustee 's Lien s on the Collateral , for the benefit of the Secured Parties , in each case, as contemplated by, and with the Lien priority required under, the Intercreditor Agreements and the Security Documents , all at the Issuers ' sole expense.

(b) The Issuers shall from time to time promptly pay all financing and continuation statement recording and/or filing fees, charges and taxes relating to this Indenture , the Security Documents and any amendments thereto.

ARTICLE 12

MISCELLANEOUS

SECTION 12.01. Notices.

(a) Any notice or communication by the Issuers , any Guarantor or the Trustee to the others is duly given if in writing and delivered in person, via facsimile, electronic mail or other electronic transmission, mailed by first-class mail (registered or certified, return receipt requested) or overnight air courier guaranteeing next day delivery, to the addressed as follows:

if to the Issuers or a Guarantor :

80 Grasslands Road
Elmsford, NY 10523
Attn: Todd Vogensen
Email: tvogensen@partycity.com

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
Attn: James Eric Ivester
Shana Elberg
Sarah Ward
Andrea Nicolas

if to the Trustee :

Ankura Trust Company , LLC, as Trustee and Collateral Trustee
140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Facsimile: 475-282-3450

The Issuers , any Guarantor or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holder s , Trustee and Collateral Trustee) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, first-class, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. All notices given by publication or electronic delivery will be deemed given on the first date on which publication or electronic delivery is made. Notices given in accordance with the procedures of the DTC will be deemed given on the date sent to the

DTC . Any notice or communication delivered to the Trustee or the Collateral Trustee shall be deemed effective upon actual receipt thereof.

(b) Any notice or communication mailed to a Holder shall be mailed, first class mail (certified or registered, return receipt requested), by overnight air courier guaranteeing next day delivery or sent electronically to the Holder at the Holder 's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed or sent within the time prescribed.

(c) Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holder s . If a notice or communication is mailed or otherwise delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Notwithstanding any other provision of this Indenture or any Security, where this Indenture or any Security provides for notice of any event (including any notice of redemption) to a Holder of a Global Security (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary for such Security (or its designee) pursuant to the standing instructions from the Depositary (or its designee), including by electronic mail in accordance with accepted practices at the Depositary .

SECTION 12.02. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuers to the Trustee to take or refrain from taking any action under this Indenture , the Issuers shall furnish to the Trustee :

(a) an Officer 's Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 12.03. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 4.09 hereof) shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with (and, in the case of an Opinion of Counsel , may be limited to reliance on an officer's certificate as to matters of fact); and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with; *provided*, *however*, that with respect to matters of fact an Opinion of Counsel may rely on an Officer 's Certificate or certificates of public officials.

SECTION 12.04. When Securities Disregarded. In determining whether the Holder s of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Issuers , any Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuers or any Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to the Securities and that the pledgee is not the Issuers , any Guarantor , or any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuers or any Guarantor . Subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 12.05. Rules by Trustee , Paying Agent and Registrar . The Trustee may make reasonable rules for action by or a meeting of the Holder s . The Registrar and a Paying Agent may make reasonable rules for their functions.

SECTION 12.06. Legal Holiday s. If a payment date is not a Business Day , payment shall be made on the next succeeding day that is a Business Day , and no interest shall accrue on any amount that would have been otherwise payable on such payment date if it were a Business Day for the intervening period. If a regular record date is not a Business Day , the record date shall not be affected.

SECTION 12.07. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE ISSUERS , THE GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

SECTION 12.08. No Recourse Against Others. No past, present or future director, officer, employee, manager, incorporator, member, partner or stockholder of the Issuers or any Guarantor or any of their Subsidiaries shall have any liability for any obligations of the Issuers or the Guarantor s under the Securities , the Guarantee s or this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities .

SECTION 12.09. Successors. All agreements of the Issuers and each Guarantor in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 12.10. Multiple Originals. The parties may sign any number of copies of this Indenture . Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture . The exchange of copies of this Indenture and of signature pages by facsimile or email (in PDF format or otherwise) transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the

original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or email (in PDF format or otherwise) shall be deemed to be their original signatures for all purposes.

SECTION 12.11. Table of Contents; Headings. The table of contents and headings of the Article s and Section s of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part of this Indenture and shall not modify or restrict any of the terms or provisions of this Indenture .

SECTION 12.12. Indenture Controls. If and to the extent that any provision of the Securities limits, qualifies or conflicts with a provision of this Indenture , such provision of this Indenture shall control.

SECTION 12.13. Severability. In case any provision in this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 12.14. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 12.15. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee , like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee .

SECTION 12.16. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuers or its Subsidiaries or of any other Person . Any such indenture, loan or debt agreement may not be used to interpret this Indenture .

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

Very truly yours,

ANAGRAM INTERNATIONAL, INC.

By: /s/ Todd Vogensen
Name: Todd Vogensen
Title: Vice President, Treasurer

ANAGRAM HOLDINGS, LLC

By: /s/ Todd Vogensen
Name: Todd Vogensen
Title: Authorized Officer

ANAGRAM INTERNATIONAL HOLDINGS, INC., as Guarantor

By: /s/ Todd Vogensen
Name: Todd Vogensen
Title: Vice President and Treasurer

ANKURA TRUST COMPANY, LLC, as Trustee and Collateral Trustee

By: /s/ Lisa J. Price
Name: Lisa J. Price
Title: Managing Director

Transfer Restrictions

1. Definitions.

1.1 Definitions.

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Definitive Security " means a certificated Security (bearing the Restricted Securities Legend if the transfer of such Security is restricted by applicable law) that does not include the Global Securities Legend .

"Depository " means The Depository Trust Company , its nominees and their respective successors.

"Global Securities Legend " means the legend set forth under that caption in Exhibit A to the Indenture .

"IAI " means an institutional "accredited investor" as described in Rule 501 (a)(1), (2), (3) or (7) under the Securities Act .

"QIB " means a "qualified institutional buyer" as defined in Rule 144A .

"Regulation S " means Regulation S under the Securities Act .

"Regulation S Securities " means all Securities offered and sold outside the United States in reliance on Regulation S .

"Restricted Global Securities " means Global Securities and any other Securities that are required to bear, or are subject to, the Restricted Securities Legend .

"Restricted Period ," with respect to any Securities , means the period of 40 consecutive days beginning on and including the later of (a) the day on which such Securities are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S , notice of which day shall be promptly given by the Issuers to the Trustee and (b) the Issue Date .

"Restricted Securities Legend " means the legend set forth in Section 2.2(f)(i) herein.

"Rule 144A " means Rule 144A under the Securities Act .

"Rule 144A Securities " means all Securities offered and sold to QIB s in reliance on Rule 144A.

"Rule 501 " means Rule 501 (a)(1), (2), (3) or (7) under the Securities Act .

"Securities Custodian " means the custodian with respect to a Global Security (as appointed by the Depository) or any successor person thereto, who shall initially be the Trustee .

"Transfer Restricted Securities " means Definitive Securities and any other Securities that bear or are required to bear or are subject to the Restricted Securities Legend .

"Unrestricted Definitive Securities " means Definitive Securities and any other Securities that are not required to bear, or are not subject to, the Restricted Securities Legend .

"Unrestricted Global Securities " means Global Securities and any other Securities that are not required to bear, or are not subject to, the Restricted Securities Legend .

1.2 Other Definitions.

Term:	Defined in Section :
4(a)(2) Securities	2.1(a)
Agent Member s	2.1(a)
Clearstream	2.1(a)
Euroclear	2.1(a)
Global Securities	2.1(a)
Regulation S Global Securities	2.1(a)
Regulation S Permanent Global Security	2.1(a)
Regulation S Temporary Global Security	2.1(a)
Rule 144A Global Securities	2.1(a)

2. The Securities .

2.1 Form and Dating; Global Securities .

(a) Global Securities . 4(a)(2) Securities initially shall be represented by one or more Securities in definitive, fully registered, global form without interest coupons (collectively, the "4(a)(2) Global Securities ").

Rule 144A Securities initially shall be represented by one or more Securities in definitive, fully registered, global form without interest coupons (collectively, the "Rule 144A Global Securities ").

Regulation S Securities initially shall be represented by one or more Securities in fully registered, global form without interest coupons (collectively, the "Regulation S Temporary Global Security " and, together with the Regulation S Permanent Global Security (defined below), the "Regulation S Global Securities "), which shall be registered in the name of the Depository or the nominee of the Depository for the accounts of designated agents holding on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear system ("Euroclear ") or Clearstream Banking, Societe Anonyme ("Clearstream ").

Following the termination of the Restricted Period , beneficial interests in the Regulation S Temporary Global Security shall be exchanged for beneficial interests in a permanent Global Security (the "Regulation S Permanent Global Security ") pursuant to the applicable procedures of the Depository . Simultaneously with the authentication of the Regulation S Permanent Global Security , the Trustee shall cancel the Regulation S Temporary Global Security . The aggregate principal amount of the Regulation S Temporary Global Security and the Regulation S Permanent Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depository or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

The provisions of the "Operating Procedures of the Euroclear System " and "Terms and Conditions Governing Use of Euroclear " and the "General Terms and Conditions of Clearstream Banking " and "Customer Handbook " of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Security and the Regulation S Permanent Global Security that are held by participants through Euroclear or Clearstream .

The term "Global Securities " means the 4(a)(2) Global Securities , Rule 144A Global Securities and the Regulation S Global Securities . The Global Securities shall bear the Global Security Legend. The Global Securities initially shall (i) be registered in the name of the Depository or the nominee of such Depository , in each case for credit to an account of a member of, or participant in, such Depository (an "Agent Member "), (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear the Restricted Securities Legend .

Members of, or direct or indirect participants in, the Depository shall have no rights under the Indenture with respect to any Global Security held on their behalf by the Depository , or the Trustee as its custodian, or under the Global Securities . The Depository may be treated by the Issuers , the Trustee and any agent of the Issuers or the Trustee as the absolute owner of the Global Securities for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuers or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository , or impair, as between the Depository and its Agent Member s, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(i) Transfers of Global Securities shall be limited to transfer in whole, but not in part, to the Depository , its successors or their respective nominees. Interests of beneficial owners in the Global Securities may be transferred or exchanged for Definitive Securities only in accordance with the applicable rules and procedures of the Depository and the provisions of Section 2.2. In addition, a Global Security shall be exchangeable for Definitive Securities if (x) the Depository (1) notifies the Issuers that it is unwilling or unable to continue as depository for such Global Security and the Issuers thereupon fails to appoint a successor depository within 90 days or (2) has ceased to be a clearing agency registered under the Exchange Act , (y) the Issuers , at its option, notifies the Trustee that it elects to cause the issuance of Definitive Securities or (z) there shall have occurred and be continuing an Event of Default with respect to such Global Security and the Depositary shall have requested such exchange; *provided* that in no event shall the Regulation S Temporary Global Security be exchanged by the Issuers for Definitive Securities prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act . In all cases, Definitive Securities delivered in exchange for any Global Security or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository in accordance with its customary procedures.

(ii) In connection with the transfer of a Global Security as an entirety to beneficial owners pursuant to subsection (i) of this Section 2.1(a), such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Issuers shall execute, and the Trustee shall authenticate and make available for delivery, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in such Global Security, an equal aggregate principal amount of Definitive Securities of authorized denominations.

(iii) Any Transfer Restricted Security delivered in exchange for an interest in a Global Security pursuant to Section 2.2 shall, except as otherwise provided in Section 2.2, bear the Restricted Securities Legend .

(iv) Notwithstanding the foregoing, through the Restricted Period , a beneficial interest in such Regulation S Global Security may be held only through Euroclear or Clearstream unless delivery is made in accordance with the applicable provisions of Section 2.2.

(v) The Holder of any Global Security may grant proxies and otherwise authorize any Person , including Agent Member s and Person s that may hold interests through Agent Member s, to take any action which a Holder is entitled to take under the Indenture or the Securities .

2.2 Transfer and Exchange.

(a) Transfer and Exchange of Global Securities . A Global Security may not be transferred as a whole except as set forth in Section 2.1(a). Global Securities will not be exchanged by the Issuers for Definitive Securities except under the circumstances described in Section 2.1(a)(ii). Global Securities also may be exchanged or replaced, in whole or in part, as provided in Section s 2.08 and 2.10 of the Indenture . Beneficial interests in a Global Security may be transferred and exchanged as provided in Section 2.2(b) or 2.2(h).

(b) Transfer and Exchange of Beneficial Interests in Global Securities . The transfer and exchange of beneficial interests in the Global Securities shall be effected through the Depository , in accordance with the provisions of the Indenture and the applicable rules and procedures of the Depository . Beneficial interests in Restricted Global Securities shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act . Beneficial interests in Global Securities shall be transferred or exchanged only for beneficial interests in Global Securities . Transfers and exchanges of beneficial interests in the Global Securities also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Security . Beneficial interests in any Restricted Global Security may be transferred to Person s who take delivery thereof in the form of a beneficial interest in the same Restricted Global Security in accordance with the transfer restrictions set forth in the Restricted Securities Legend ; *provided, however*, that prior to the expiration of the Restricted Period , transfers of beneficial interests in a Regulation S Global Security may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). A beneficial interest in an Unrestricted Global Security may be transferred to Person s who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.2(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Securities . In connection with all transfers and exchanges of beneficial interests in any Global Security that is not subject to Section 2.2(b)(i), the transferor of such beneficial interest must deliver to the Registrar (1) a written order from an Agent Member given to the Depository in accordance with the applicable rules and procedures of the Depository directing the Depository to credit or cause to be credited a beneficial interest in another

Global Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the applicable rules and procedures of the Depository containing information regarding the Agent Member account to be credited with such increase. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Securities contained in the Indenture and the Securities or otherwise applicable under the Securities Act , the Trustee shall adjust the principal amount of the relevant Global Security pursuant to Section 2.2(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Security . A beneficial interest in a Restricted Global Security may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Security if the transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in a Rule 144A Global Security, then the transferor must deliver a certificate in the form attached to the applicable Security; and

(B) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Security, then the transferor must deliver a certificate in the form attached to the applicable Security.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Security for Beneficial Interests in an Unrestricted Global Security. A beneficial interest in a Restricted Global Security may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security if the exchange or transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form attached to the applicable Security; or

(2) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form attached to the applicable Security,

and, in each such case, if the Issuers so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Securities Legend are no longer required in order to maintain compliance with the Securities Act . If any such transfer or exchange is effected pursuant to this subparagraph (iv) at a time when an Unrestricted Global Security has not yet been issued, the Issuers shall issue and, upon receipt of an written order of the Issuers in the form of an Officer 's Certificate in accordance with Section 2.01 of the Indenture , the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred or exchanged pursuant to this subparagraph (iv).

(v) Transfer and Exchange of Beneficial Interests in an Unrestricted Global Security for Beneficial Interests in a Restricted Global Security. Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Person s who take delivery thereof in the form of, a beneficial interest in a Restricted Global Security.

(c) Transfer and Exchange of Beneficial Interests in Global Securities for Definitive Securities . A beneficial interest in a Global Security may not be exchanged for a Definitive Security except under the circumstances described in Section 2.1(a)(ii). A beneficial interest in a Global Security may not be transferred to a Person who takes delivery thereof in the form of a Definitive Security except under the circumstances described in Section 2.1(a)(ii). In any case, beneficial interests in Global Securities shall be transferred or exchanged only for Definitive Securities .

(d) Transfer and Exchange of Definitive Securities for Beneficial Interests in Global Securities . Transfers and exchanges of beneficial interests in the Global Securities also shall require compliance with either subparagraph (i), (ii), (iii) or (iv) below, as applicable:

(i) Transfer Restricted Securities to Beneficial Interests in Restricted Global Securities . If any Holder of a Transfer Restricted Security proposes to exchange such Transfer Restricted Security for a beneficial interest in a Restricted Global Security or to transfer such Transfer Restricted Security to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Security, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Transfer Restricted Security proposes to exchange such Transfer Restricted Security for a beneficial interest in a Restricted Global Security, a certificate from such Holder in the form attached to the applicable Security;

(B) if such Transfer Restricted Security is being transferred to a Qualified Institutional Buyer in accordance with Rule 144A under the Securities Act , a certificate from such Holder in the form attached to the applicable Security;

(C) if such Transfer Restricted Security is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act , a certificate from such Holder in the form attached to the applicable Security;

(D) if such Transfer Restricted Security is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act , a certificate from such Holder in the form attached to the applicable Security;

(E) if such Transfer Restricted Security is being transferred to an IAI in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate from such Holder in the form attached to the applicable Security, including the certifications, certificates and Opinion of Counsel , if applicable; or

(F) if such Transfer Restricted Security is being transferred to the Issuers or a Subsidiary thereof, a certificate from such Holder in the form attached to the applicable Security;

the Trustee shall cancel the Transfer Restricted Security, and increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Security.

(ii) Transfer Restricted Securities to Beneficial Interests in Unrestricted Global Securities . A Holder of a Transfer Restricted Security may exchange such Transfer Restricted Security for a beneficial interest in an Unrestricted Global Security or transfer such Transfer Restricted Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security only if the Registrar receives the following:

(1) if the Holder of such Transfer Restricted Security proposes to exchange such Transfer Restricted Security for a beneficial interest in an Unrestricted Global Security, a certificate from such Holder in the form attached to the applicable Security; or

(2) if the Holder of such Transfer Restricted Securities proposes to transfer such Transfer Restricted Security to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such Holder in the form attached to the applicable Security,

and, in each such case, if the Issuers so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Securities Legend are no longer required in order to maintain compliance with the Securities Act . Upon satisfaction of the conditions of this subparagraph (ii), the Trustee shall cancel the Transfer Restricted Securities and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Security. If any such transfer or exchange is effected pursuant to this subparagraph (ii) at a time when an Unrestricted Global Security has not yet been issued, the Issuers shall issue and, upon receipt of a written order of the Issuers in the form of an Officer 's Certificate , the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of Transfer Restricted Securities transferred or exchanged pursuant to this subparagraph (ii).

(iii) Unrestricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities . A Holder of an Unrestricted Definitive Security may exchange such Unrestricted Definitive Security for a beneficial interest in an Unrestricted Global Security or transfer such Unrestricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Security and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Securities . If any such transfer or exchange is effected pursuant to this subparagraph (iii) at a time when an Unrestricted Global Security has not yet been issued, the Issuers shall issue and, upon receipt of an written order of the Issuers in the form of an Officer 's Certificate , the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of Unrestricted Definitive Securities transferred or exchanged pursuant to this subparagraph (iii).

(iv) Unrestricted Definitive Securities to Beneficial Interests in Restricted Global Securities . An Unrestricted Definitive Security cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a beneficial interest in a Restricted Global Security.

(e) Transfer and Exchange of Definitive Securities for Definitive Securities . Upon request by a Holder of Definitive Securities and such Holder 's compliance with the provisions of this Section 2.2(e), the Registrar shall register the transfer or exchange of Definitive Securities . Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.2(e).

(i) Transfer Restricted Securities to Transfer Restricted Securities . A Transfer Restricted Security may be transferred to and registered in the name of a Person who takes delivery thereof in the form of a Transfer Restricted Security if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act , then the transferor must deliver a certificate in the form attached to the applicable Security;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904 under the Securities Act , then the transferor must deliver a certificate in the form attached to the applicable Security;

(C) if the transfer will be made pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act , a certificate in the form attached to the applicable Security;

(D) if the transfer will be made to an IAI in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (A) through (C) above, a certificate in the form attached to the applicable Security; and

(E) if such transfer will be made to the Issuers or a Subsidiary thereof, a certificate in the form attached to the applicable Security.

(ii) Transfer Restricted Securities to Unrestricted Definitive Securities . Any Transfer Restricted Security may be exchanged by the Holder thereof for an Unrestricted Definitive Security or transferred to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security only if the Registrar receives the following:

(i) if the Holder of such Transfer Restricted Security proposes to exchange such Transfer Restricted Security for an Unrestricted Definitive Security , a certificate from such Holder in the form attached to the applicable Security; or

(ii) if the Holder of such Transfer Restricted Security proposes to transfer such Securities to a Person who shall take delivery thereof in the form of

an Unrestricted Definitive Security , a certificate from such Holder in the form attached to the applicable Security, and, in each such case, if the Issuers so requests, an Opinion of Counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Securities Legend are no longer required in order to maintain compliance with the Securities Act .

(iii) Unrestricted Definitive Securities to Unrestricted Definitive Securities . A Holder of an Unrestricted Definitive Security may transfer such Unrestricted Definitive Securities to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security at any time. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Securities pursuant to the instructions from the Holder thereof.

(iv) Unrestricted Definitive Securities to Transfer Restricted Securities . An Unrestricted Definitive Security cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a Transfer Restricted Security.

At such time as all beneficial interests in a particular Global Security have been exchanged for Definitive Securities or a particular Global Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of the Indenture . At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Definitive Securities , the principal amount of Securities represented by such Global Security shall be reduced accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security shall be increased accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(f) Legend.

(i) Except as permitted by the following paragraph (ii), each Security certificate evidencing the Global Securities and the Definitive Securities (and all Securities issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only) (the "Restricted Security Legend "):

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUERS THAT (A) SUCH

SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR

(d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUERS IF THE ISSUERS SO REQUESTS), (2) TO THE ISSUERS OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY."

Each Regulation S Temporary Global Security shall bear the following additional legend (the "Regulation S Temporary Global Security Legend"):

"THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT."

Each Global Security shall bear the following additional legends (the "Global Securities Legend "):

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC "), NEW YORK, NEW YORK, TO THE ISSUERS OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

"TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC , TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF

THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."

Each Definitive Security shall bear the following additional legend (the "Definitive Security Legend "):

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(ii) Upon any sale or transfer of a Transfer Restricted Security that is a Definitive Security , the Registrar shall permit the Holder thereof to exchange such Transfer Restricted Security for a Definitive Security that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Security if the Holder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule 144 of the Securities Act (such certification to be in the form set forth on the reverse of the Security).

(iii) Upon a sale or transfer after the expiration of the Restricted Period of any Security acquired pursuant to Regulation S , all requirements that such Security bear the Restricted Securities Legend shall cease to apply and the requirements requiring any such Security be issued in global form shall continue to apply.

Each Security certificate evidencing a Global Security or a Definitive Security (and all Securities issued in exchange therefor or substitution thereof) shall bear a legend in substantially the following form (the "OID Legend "):

"THIS SECURITY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR THIS SECURITY BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE COMPANY AT THE FOLLOWING ADDRESS: 80 GRASSLANDS ROAD, ATTN: INVESTOR RELATIONS, ELMSFORD, NY 10523 OR INVESTORRELATIONS@PARTYCITY.COM."

(g) Cancellation or Adjustment of Global Security. At such time as all beneficial interests in a particular Global Security have been exchanged for Definitive Securities or a particular Global Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of the Indenture . At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Definitive Securities , the principal amount of Securities represented by such Global Security shall be reduced accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security shall be increased accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(h) Obligations with Respect to Transfers and Exchanges of Securities .

(i) To permit registrations of transfers and exchanges, the Issuers shall execute and the Trustee shall authenticate, Definitive Securities and Global Securities at the Registrar 's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Section s 3.06, 4.06, 4.08 and 9.04 of the Indenture).

(iii) Prior to the due presentation for registration of transfer of any Security, the Issuer, the Trustee , a Paying Agent or the Registrar may deem and treat the person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Issuers , the Trustee , the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Securities issued upon any transfer or exchange pursuant to the terms of the Indenture shall evidence the same debt and shall be entitled to the same benefits under the Indenture as the Securities surrendered upon such transfer or exchange.

(i) No Obligation of the Trustee .

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Security, a member of, or a participant in the Depository or any other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Securities . All notices and communications to be given to the Holder s and all payments to be made to the Holder s under the Securities shall be given or made only to the registered Holder s (which shall be the Depository or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository . The Trustee may conclusively rely and shall be fully protected in so relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depository participants, members or beneficial owners in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of the Indenture , and to examine the same to determine substantial compliance as to form with the express requirements hereof.

EXHIBIT A

[FORM OF FACE OF SECURITY]

[*Insert Global Securities Legend if applicable*]

[*Insert Restricted Securities Legend if applicable*]

[*Insert Regulation S Temporary Global Security Legend if applicable*]

[*Insert Definitive Security Legend if applicable*]

[*Insert OID Legend*]

No. $_____

10.00% PIK /Cash Senior Secured Second Lien Notes due 2026

CUSIP No.:[1]

ISIN No.:[2]

Anagram International, Inc. a Minnesota corporation and Anagram Holdings, LLC, a Delaware limited liability company, promises to pay to Cede & Co., or registered assigns, the principal sum of $_____ Dollars, [as the same may be revised from time to time on the Schedule of Increases or Decreases in Global Security attached hereto,][3] on August 15, 2026.

Interest Payment Dates: February 15 and August 15

Record Dates: February 1 and August 1

Additional provisions of this Security are set forth on the other side of this Security.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

ANAGRAM INTERNATIONAL, INC.

By: _____
Name:
Title:

ANAGRAM HOLDINGS, LLC

By: _____
Name:
Title:

1 [•]
2 [•]
3 Use the Schedule of Increases and Decreases language if Security is in Global Form.

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

THE HUNTINGTON NATIONAL BANK,
as Authenticating Agent , certifies that this is one of the
Securities referred to in the Indenture .

By: _____
Authorized Signatory

Dated:

*/ If the Security is to be issued in global form, add the Global Securities Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SECURITIES SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY."

[FORM OF REVERSE SIDE OF SECURITY]

10.00% PIK /Cash Senior Secured Second Lien Notes due 2026

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. Anagram International, Inc. a Minnesota corporation and Anagram Holdings, LLC, a Delaware limited liability company (together, the "Issuers "), promises to pay interest on the principal amount of this Security at the rate per annum shown above. The Issuers shall pay interest semiannually on February 15 and August 15 of each year, commencing February 15, 2021.[4] Interest on the Securities shall accrue from the most recent date to which interest has been paid or duly provided for until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30- day months. Interest shall be (a) payable at a rate per annum of 5.00%, at the option of the Issuers , either
(x) in cash or (y) PIK Interest by increasing the principal amount of the Securities outstanding or, with respect to Securities represented by certificated notes, issuing additional PIK Securities and (b) payable at a rate per annum of 5.00%, in the form of PIK Interest only; *provided*, *however*, that on August 15, 2025 interest shall be payable at a rate per annum of 10.00% in the form of PIK Interest only. The Issuers shall pay interest on overdue principal at the rate borne by the Securities , and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment. The Issuers shall pay interest on the Securities (except defaulted interest) to the Person s who are registered Holder s at the close of business on the February 1 or August 1 next preceding the interest payment date even if Securities are canceled after the record date and on or before the interest payment date (whether or not a Business Day). Holder s must surrender Securities to the Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, and cash interest (including with respect to PIK Securities at maturity, if applicable) in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest (including PIK Interest , if applicable) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depositary. The Issuers shall make all payments in respect of a certificated Security (including principal, premium, if any, and interest (including PIK Interest)) at the office of the Paying Agent , except that, at the option of the Issuers , payment of cash interest may be made by mailing a check to the registered address of each Holder thereof; *provided*, *however*, that payments of cash interest on the Securities may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Securities , by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). At all times, PIK Interest on the Second Lien Notes will be payable (x) with respect to Second Lien Notes represented by one or more Global Securities registered in the name of, or held by, DTC or its nominee on the relevant record date, by increasing the principal amount of the outstanding Global Securities by an amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar) as provided in writing by the Issuers to the Trustee , and the Trustee , at the written direction of the Issuers , will record such increase in such Global Security and (y) with respect to Second Lien Notes represented in certificated form, by issuing PIK Securities in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar), and the Trustee will, at the written request of the Issuers , authenticate and deliver such PIK Securities in

4 With respect to Securities issued on the Issue Date .

certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of Holder s . Notwithstanding anything herein to the contrary, the payment of accrued interest in connection with any redemption of Securities pursuant to Article III of the Indenture or in connection with any repurchase of Securities pursuant to Section 4.06 or 4.08 of the Indenture shall be made solely in cash.

3. Paying Agent and Registrar . Initially, Ankura Trust Company , LLC, a New Hampshire limited liability company (the "Trustee "), will act as Paying Agent and Registrar . The Issuers may appoint and change any Paying Agent or Registrar without notice. The Issuers or any of their domestically incorporated Wholly-Owned Subsidiaries may act as Paying Agent or Registrar .

4. Indenture . The Issuers issued the Securities under an Indenture dated as of July 30, 2020 (the "Indenture "), among the Issuers , the guarantors from time to time party thereto, the Trustee and the Collateral Trustee . Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture . The Securities are subject to all terms and provisions of the Indenture , and the Holder s are referred to the Indenture for a statement of such terms and provisions

The Securities are senior secured obligations of the Issuer. The Securities include any PIK Securities . Securities and any PIK Securities are treated as a single class of securities under the Indenture . The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments , pay dividends and other distributions, incur Indebtedness , enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries , issue or sell shares of capital stock of the Issuers and such Restricted Subsidiaries , enter into or permit certain transactions with Affiliate s, create or incur Lien s and make Asset Sale s. The Indenture also imposes limitations on the ability of the Issuers and each Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Securities and all other amounts payable by the Issuers under the Indenture and the Securities when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Securities and the Indenture , the Guarantor s party to the Indenture from time to time will, jointly and severally, irrevocably and unconditionally guarantee the Guarantee d Obligations on a senior secured basis pursuant to the terms of the Indenture .

5. Optional Redemption. The Securities are subject to the optional redemption provisions set forth in Article 3 of the Indenture .

6. Mandatory AHYDO Catch-Up Payment. The Securities are subject to the mandatory redemption provision set forth in Section 3.10 of the Indenture .

7. Sinking Fund. The Securities are not subject to any sinking fund.

8. Notice of Redemption. Notice of redemption will be delivered electronically, mailed by first-class mail or otherwise sent in accordance with the procedures of the Depositary at least 10 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his, her or its registered address. Securities in denominations larger than $250,000 may be redeemed in part but only in whole multiples of $1.00. If money sufficient to pay the redemption price of and accrued and unpaid interest (including PIK Interest) on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other

conditions are satisfied, on and after such date, interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

9. Repurchase of Securities at the Option of the Holder s upon Change of Control and Asset Sale s. Upon the occurrence of a Change of Control , each Holder shall have the right, subject to certain conditions specified in the Indenture , to cause the Issuers and/or the Parent to repurchase all or any part of such Holder 's Securities at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest (including an amount of cash equal to all accrued and unpaid PIK Interest), if any, to the date of repurchase (subject to the right of the Holder s of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture . In accordance with Section 4.06 of the Indenture , the Issuers will be required to offer to purchase Securities upon the occurrence of certain events constituting "Asset Sale s."

10. Denominations; Transfer; Exchange. The Securities are in registered form, without coupons, in minimum denominations of $1.00 and any integral multiple of $1.00. A Holder shall register the transfer of or exchange of Securities in accordance with the Indenture . Upon any registration of transfer or exchange, the Registrar and the Trustee may require a Holder , among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture . The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or to transfer or exchange any Securities for a period of 15 days prior to the mailing of a notice of redemption of Securities to be redeemed.

11. Person s Deemed Owners. The registered Holder of this Security shall be treated as the owner of it for all purposes.

12. Unclaimed Money. If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuers at their written request unless an abandoned property law designates another Person . After any such payment, the Holder s entitled to the money must look to the Issuers for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance. Subject to certain conditions and as set forth in the Indenture , the Issuers at any time may terminate some of or all of their obligations under the Securities and the Indenture if the Issuers deposit with the Trustee money or Government Securities for the payment of principal and interest on the Securities to redemption or maturity, as the case may be.

14. Amendment; Waiver. The Securities are subject to the redemption provisions set forth in Article 9 of the Indenture .

15. Default s and Remedies. The Securities are subject to the default and remedy provisions set forth in Article 6 of the Indenture .

16. Trustee Dealings with the Issuers . The Trustee under the Indenture , in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliate s and may otherwise deal with the Issuers or their Affiliate s with the same rights it would have if it were not Trustee .

17. No Recourse Against Others. No past, present or future director, officer, employee, manager, incorporator, member, partner or stockholder of the Issuers or any Guarantor or any of their Subsidiaries shall have any liability for any obligations of the Issuers or the Guarantor s under the

Securities , the Guarantee s or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities . The waiver may not be effective to waive liabilities under the federal securities laws.

18. Authentication. This Security shall not be valid until an authorized signatory of the Authenticating Agent manually signs the certificate of authentication on the other side of this Security.

19. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law. **THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

21. CUSIP Numbers; ISINs. The Issuers have caused CUSIP numbers and ISINs to be printed on the Securities and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the Holder s . No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuers will furnish to any Holder of Securities upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Security.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax identification No.)

and irrevocably appoint _____ as agent to transfer this Security on the books of the Issuers . The agent may substitute another to act for him.

Date: Your Signature: _____

Sign exactly as your name appears on the other side of this Security.

Signature Guarantee : Signature of Signature Guarantee : _____

Date: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Anagram International,
Inc. Anagram Holdings,
LLC 80 Grasslands Road
Elmsford, NY 10523 Attn:
Todd Vogensen
Email: tvogensen@partycity.com

Ankura Trust Company , LLC
140 Sherman Street, Fourth Floor
Fairfield, CT 06824
Attention: Lisa Price
Facsimile: 475-282-3450

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR
REGISTRATION OF TRANSFER RESTRICTED SECURITIES

This certificate relates to $_____ principal amount of Securities held in (check applicable space) _____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

☐ has requested the Trustee by written order to deliver in exchange for its beneficial interest in the Global Security held by the Depository a Security or Securities in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Security (or the portion thereof indicated above);

☐ has requested the Trustee by written order to exchange or register the transfer of a Security or Securities .

In connection with any transfer of any of the Securities evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act of 1933, as amended (the "Securities Act "), the undersigned confirms that such Securities are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ☐ to the Issuers or subsidiary thereof; or

(2) ☐ to the Registrar for registration in the name of the Holder , without transfer; or

(3) ☐ inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A , in each case pursuant to and in compliance with Rule 144A under the Securities Act ; or

(4) ☐ outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act and such Security shall be held immediately after the transfer through Euroclear or Clearstream until the expiration of the Restricted Period (as defined in the Indenture); or

(5) ☐ to an institutional "accredited investor" (as defined in Rule 501 (a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements in the form attached as Exhibit B to the Indenture ; or

(6) ☐ pursuant to another available exemption from registration provided by Rule 144 under the Securities Act .

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any Person other than the registered Holder thereof; *provided, however*, that if box (4), (5) or (6) is checked, the Issuers or the Trustee may require, prior to registering any such transfer of the Securities , such legal opinions, certifications and other information as the Issuers or the Trustee have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act .

Date: Your Signature: _____

Signature Guarantee : Signature of Signature Guarantee : _____

Date: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A , and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A .

Date: _____ _____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is $_____. The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Issuers and/or the Parent pursuant to Section 4.06 (Asset Sale Offer) or 4.08 (Change of Control Offer) of the Indenture , check the box:

☐ Asset Sale ☐ Change of Control

If you want to elect to have only part of this Security purchased by the Issuers and/or the Parent pursuant to Section 4.06 (Asset Sale Offer) or 4.08 (Change of Control Offer) of the Indenture , state the amount ($250,000 or any integral multiple of $1.00):

$

Date: _____ Your Signature:

(Sign exactly as your name appears on the other side of this _____ Security)

Signature Guarantee : _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

EXHIBIT B

[FORM OF]
TRANSFEREE LETTER OF REPRESENTATION

Anagram International,
Inc. Anagram Holdings,
LLC
c/o Ankura Trust Company ,
LLC [•]

Ladies and Gentlemen:

This CERTIFICATE IS DELIVERED TO REQUEST A TRANSFER OF $[ ] PRINCIPAL AMOUNT OF THE 10.00% PIK /CASH SENIOR SECURED SECOND LIEN NOTES DUE 2026 (THE "SECURITIES ") OF ANAGRAM INTERNATIONAL, INC. AND ANAGRAM HOLDINGS, LLC (THE "ISSUERS ").

Upon transfer, the Securities would be registered in the name of the new beneficial owner as follows:

Name: _____
Address: _____
Taxpayer ID Number:

The undersigned represents and warrants to you that:

(1) We are an institutional "accredited investor" (as defined in Rule 501 (a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act ")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $100,000 principal amount of the Securities , and we are acquiring the Securities not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act . We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Securities , and we invest in or purchase securities similar to the Securities in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

(2) We understand that the Securities have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Securities to offer, sell or otherwise transfer such Securities prior to the date that is two years after the later of the date of original issue and the last date on which either the Issuers or any affiliate of such Issuers was the owner of such Securities (or any predecessor thereto) (the "Resale Restriction Termination Date ") only (a) in the United States to a person whom we reasonably believe is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A , (b) outside the United States in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act , (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if applicable) or (d) pursuant to an effective registration statement under the Securities Act , in each of cases
(a) through (d) in accordance with any applicable securities laws of any state of the United States. In addition, we will, and each subsequent holder is required to, notify any purchaser of the Security evidenced hereby of the resale restrictions set forth above. The foregoing restrictions on resale will not

apply subsequent to the Resale Restriction Termination Date . If any resale or other transfer of the Securities is proposed to be made to an institutional "accredited investor" prior to the Resale Restriction Termination Date , the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuers and the Trustee , which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501 (a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Securities for investment purposes and not for distribution in violation of the Securities Act . Each purchaser acknowledges that the Issuers and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Securities pursuant to clauses (b), (c) or (d) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Issuers and the Trustee .

Dated: _____

TRANSFEREE: _____,

By: _____

EXHIBIT C

[FORM OF SUPPLEMENTAL INDENTURE]

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of [ ], among [ ] (the "New Guarantor") and Ankura Trust Company, LLC, as trustee (the "Trustee") and collateral trustee (the "Collateral Trustee") under the Indenture referred to below.

W I T N E S E T H:

WHEREAS the Issuers and the existing Guarantors have heretofore executed and delivered to the Trustee and Collateral Trustee an indenture, dated as of July 30, 2020 (as amended, supplemented or otherwise modified, the "Indenture"), providing initially for the issuance of $84,686,977 in aggregate principal amount of the Issuers' 10.0% PIK/Cash Senior Secured Second Lien Notes due 2026 (the "Securities");

WHEREAS Sections 4.11 and 10.06 of the Indenture provide that under certain circumstances the Issuers are required to cause the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall unconditionally guarantee all the Issuers' Obligations under the Securities and the Indenture pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Trustee and the Collateral Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined, except that the term "Holders" in this Guarantee shall refer to the term "Holders" as defined in the Indenture and the Trustee and Collateral Trustee acting on behalf of and for the benefit of such Holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to irrevocably and unconditionally guarantee the Issuers' Obligations under the Securities and the Indenture on the terms and subject to the conditions set forth in the Indenture, including, but not limited to, Article 10 of the Indenture, and to be bound by all other applicable provisions of the Indenture and the Securities and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Releases. A Guarantee as to any Guarantor shall terminate and be of no further force or effect and such Guarantor shall be deemed to be released from all obligations as provided in Section 10.02(b) and (c) of the Indenture.

4. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 12.01 of the Indenture.

5. Ratification of Indenture ; Supplemental Indenture s Part of Indenture . Except as expressly amended and supplemented hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

6. No Recourse Against Others. No past, present or future director, officer, employee, manager, incorporator, agent or holder of any Equity Interests in the Issuers or of the New Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuers or the Guarantor s under the Securities , the Guarantee s, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities . The waiver may not be effective to waive liabilities under the federal securities laws.

7. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE NEW GUARANTOR AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

8. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture .

9. Counterparts. The parties may sign any number of copies of this Supplemental Indenture . Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture . The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or email (in PDF format or otherwise) shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or email (in PDF format or otherwise) shall be deemed to be their original signatures for all purposes.

10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

11. The Trustee . The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the New Guarantor .

12. Successors. All agreements of the New Guarantor in this Supplemental Indenture shall bind its successors. All agreements of the Trustee and the Collateral Trustee in the Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NEW GUARANTOR]

By: _____
Name:
Title:

ANKURA TRUST COMPANY, LLC, as Trustee

By: _____
Name:
Title:

ANKURA TRUST COMPANY, LLC, as Collateral Trustee

By: _____
Name:
Title

Exhibit D

Form of First Lien /Second Lien Intercreditor Agreement

Schedule s

EXHIBIT F

Execution Version

SECOND LIEN PLEDGE AND SECURITY AGREEMENT

THIS SECOND LIEN PLEDGE AND SECURITY AGREEMENT (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "**Security Agreement**") is entered into as of July 30, 2020, by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**" and together with the Company, the "**Issuers**"), the Subsidiary Parties (as defined below) from time to time party hereto (the foregoing Issuers and Subsidiary Parties, collectively, the "**Grantors**"), and Ankura Trust Company, LLC ("**Ankura**"), as collateral trustee for the benefit of the Secured Parties (as defined below) (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**").

PRELIMINARY STATEMENT

The Grantors, the Collateral Trustee and Ankura, as trustee (in such capacity, together with its successors and permitted assigns, the "**Trustee**") are entering into an Indenture, dated as of the date hereof (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Indenture**"), by and among the Issuers, the Guarantors (as defined therein) from time to time party thereto, the Trustee, and the Collateral Trustee, pursuant to which, among other things, the Issuers are issuing $84,686,977 aggregate principal amount of 10.00% PIK/Cash Senior Secured Second Lien Notes due 2026 (collectively with any related PIK Securities and PIK Interest, the "**Notes**"). The Grantors are entering into this Security Agreement in order to induce the Holders to purchase the Notes and to grant Liens with respect to the Secured Obligations (as defined below).

ACCORDINGLY, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Terms Defined in Indenture*. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indenture.

Section 1.02. *Terms Defined in UCC*. Terms defined in the UCC that are not otherwise defined in this Security Agreement or the Indenture are used herein as defined in Articles 8 or 9 of the UCC, as applicable.

Section 1.03. *Definitions of Certain Terms Used Herein*. As used in this Security Agreement, in addition to the terms defined in the preamble and Preliminary Statement above, the following terms shall have the following meanings:

"**Account**" shall have the meaning set forth in Article 9 of the UCC.

"**Ankura**" shall have the meaning set forth in the preamble.

"**Article**" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"**Blocked Account**" means any Deposit Account, Securities Account or Commodities Accounts, other than any Excluded Accounts.

"**Blocked Account Agreement**" shall have the meaning set forth in Section 4.12.

"**Cash**" means money, currency or a credit balance in any demand or Deposit Account.

"**Chattel Paper**" shall have the meaning set forth in Article 9 of the UCC.

"**Co-Issuer**" shall have the meaning set forth in the preamble.

"**Collateral**" shall have the meaning set forth in Article 2.

"**Collateral Access Agreement**" shall have the meaning set forth in Section 4.09.

"**Collateral Trustee**" shall have the meaning set forth in the preamble.

"**Commercial Tort Claim**" shall have the meaning set forth in Article 9 of the UCC.

"**Company**" shall have the meaning set forth in the preamble.

"**Compliance Certificate**" shall mean the certificate delivered by the Issuers pursuant to Section 4.09(a) of the Indenture.

"**Contract Rights**" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"**Contracts**" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, any hedge agreements, licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements).

"**Control**" shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

"**Copyrights**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright whether published or unpublished, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing.

"**Deposit Account**" shall have the meaning set forth in Article 9 of the UCC.

"**Document**" shall have the meaning set forth in Article 9 of the UCC.

"**Domain Names**" means all Internet domain names and associated URL addresses in or to which any Grantor now or hereafter has any right, title or interest.

"**Electronic Chattel Paper**" shall have the meaning set forth in Article 9 of the UCC.

"**Equipment**" shall have the meaning set forth in Article 9 of the UCC.

"**Excluded Accounts**" means any (a) zero-balance Deposit Accounts, so long as the balance in such Deposit Account is zero at the end of each Business Day, (b) any Deposit Account that constitutes, and is exclusively maintained as a Trust Fund Account, and (c) any other Deposit Accounts that do not have an aggregate daily cash balance as of the end of any Business Day in excess of $500,000 in the aggregate for all such Deposit Accounts.

"**Excluded Collateral**" shall have the meaning set forth in Article 2.

"**Exhibit**" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"**First Priority Collateral Trustee**" shall have the meaning set forth in the Intercreditor Agreement.

"**Fixture**" shall have the meaning set forth in Article 9 of the UCC.

"**General Intangible**" shall have the meaning set forth in Article 9 of the UCC.

"**Goods**" shall have the meaning set forth in Article 9 of the UCC.

"**Grantors**" shall have the meaning set forth in the preamble.

"**Indenture**" shall have the meaning set forth in the Preliminary Statement.

"**Instrument**" shall have the meaning set forth in Article 9 of the UCC.

"**Inventory**" shall have the meaning set forth in Article 9 of the UCC.

"**Investment Property**" shall have the meaning set forth in Article 9 of the UCC.

"**IP Filing**" shall have the meaning set forth in Section 3.01(a).

"**Issuers**" shall have the meaning set forth in the preamble.

"**Letter-of-Credit Right**" shall have the meaning set forth in Article 9 of the UCC.

"**Licenses**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to (a) any and all licensing agreements or similar arrangements with respect to any (1) Patents, (2) Copyrights, (3) Trademarks, (4) Trade Secrets or (5) Software, whether such Grantor is a licensor or licensee, distributor or distributee under any such licensing agreements or similar arrangements in the case of any of clauses (1) to (5) hereof, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including,

without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

"**Management and Ownership Agreement**" means that certain Management and Ownership Agreement, dated as of November 30, 2007 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among Convertidora Industrial S.A.B. DE C.V., a Mexican limited liability company ("**Convertidora**"), Convergram de Mexico S. de R.L. DE C.V., a Mexican corporation ("**Convergram**"), the Company, and the other parties party thereto.

"Margin Stock" shall have the meaning set forth in Regulation U of the Board of Governors of the Federal Reserve System of the United States as from time to time in effect and all official rulings and interpretations thereunder or thereof, and any successor provision thereto.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, assets, financial condition or results of operations, in each case, of the Grantors, taken as a whole, (ii) the rights and remedies (taken as a whole) of the Collateral Trustee under the applicable Note Documents or (iii) the ability of the Grantors (taken as a whole) to perform their payment obligations under the Note Documents.

"**Material Real Estate Asset**" shall have the meaning set forth in the Indenture.

"Money" shall have the meaning set forth in Article 1 of the UCC.

"**Notes**" shall have the meaning set forth in the preamble.

"**Note Documents**" means the Indenture, the Notes, and the Security Documents.

"**Patents**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing.

"**Perfection Certificate**" means a certificate substantially in the form of Exhibit A completed and supplemented with the schedules and attachments contemplated thereby and duly executed by an Officer of the Issuers and delivered to the Collateral Trustee as of the date hereof.

"**Perfection Certificate Supplement**" means a supplement substantially in the form of Exhibit B and duly executed by an Officer of the Issuers.

"**Permits**" means, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"**Pledged Collateral**" means all Pledged Stock, including all stock certificates, options or rights of any nature whatsoever in respect of the Pledged Stock that may be issued or granted to, or held by, such Grantor while this Security Agreement is in effect, all Instruments and other Investment Property owned by any Grantor, whether or not physically delivered to the Collateral Trustee pursuant to this Security Agreement, whether now owned or hereafter acquired by such Grantor and any and all Proceeds thereof; *provided* that Pledged Collateral shall not include any Excluded Collateral.

"**Pledged Stock**" means, with respect to any Grantor, the shares of Capital Stock set forth in the Perfection Certificate as held by such Grantor, together with any other shares of Capital Stock required to be pledged by such Grantor pursuant to Section 11.09 of the Indenture and Section 4.03(a) herein; *provided* that Pledged Stock shall not include any Excluded Collateral.

"**Proceeds**" shall have the meaning assigned in Article 9 of the UCC and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Trustee or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (iii) any and all Stock Rights and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) in real property then owned by any Grantor.

"**Receivables**" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money that are General Intangibles or that are otherwise included as Collateral; *provided* that Receivables shall not include any Excluded Collateral.

"**Second Priority Lien**" means, with respect to any Lien purported to be created in any Collateral such Lien is junior in priority to the First Priority Obligations (as defined in the Intercreditor Agreement) and senior in priority to any other Lien to which such Collateral is subject, other than any Permitted Lien (except for Permitted Liens securing any Indebtedness secured by a Lien which is, or is required to be in accordance with the Note Documents or the Intercreditor Agreements, subordinated to the Liens securing the Secured Obligations).

"**Section**" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"**Secured Obligations**" means any principal, accrued but unpaid interest (including PIK Interest), penalties, premiums, fees, costs, expenses, indemnification, reimbursement obligations, damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities of the Grantors whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due to the Secured Parties, with respect to and in accordance with the Note Documents (including interest,

penalties, premiums, fees, costs, expenses, indemnification, reimbursement obligations, damages and other liabilities and other amounts which, but for the filing of a petition under the Bankruptcy Code or any other Bankruptcy Law with respect to the Issuers or any of their Subsidiaries, would have accrued on and been payable with respect to any Secured Obligations in accordance with the Note Documents, whether or not a claim is allowed against such Person for such interest, fees, costs, expenses, indemnification and reimbursement obligations and other amounts in the related proceeding).

"**Secured Parties**" means (a) the Holders, (b) the Collateral Trustee, (c) the Trustee, (d) the beneficiaries of each indemnification obligation undertaken by any Grantor under any Note Document and (e) the successors and permitted assigns of each of the foregoing.

"**Security Documents**" shall have the meaning set forth in the Indenture.

"**Software**" shall mean computer programs, source code, object code and supporting documentation including "software" as such term is defined in Article 9 of the UCC, as well as computer programs that may be construed as included in the definition of Goods.

"**Stock Rights**" means all dividends, instruments or other distributions and any other right or property which any Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Capital Stock constituting Collateral, any right to receive any Capital Stock constituting Collateral and any right to receive earnings, in which such Grantor now has or hereafter acquires any right, issued by an issuer of such Capital Stock.

"**Subsidiary Parties**" means (a) the Subsidiaries identified on Exhibit C hereto and (b) each other Subsidiary that becomes a party to this Security Agreement as a Subsidiary Party after the date hereof, in accordance with Section 7.12 herein and Section 11.09 of the Indenture.

"**Supporting Obligation**" shall have the meaning set forth in Article 9 of the UCC.

"**Tangible Chattel Paper**" shall mean "tangible chattel paper" as such term is defined in Article 9 of the UCC.

"**Termination Date**" shall mean, with respect to the Secured Obligations, the date on which such Secured Obligations are repaid in full in cash in accordance with the terms of the Note Documents (other than contingent surviving indemnity obligations in respect of which no claim or demand has been made).

"**Trade Secrets**" means, with respect to any Grantor, all of such Grantor's right, title and interest in and to the following: (a) trade secrets or other confidential and proprietary information, including unpatented inventions, invention disclosures, engineering or other data, information, production procedures, know-how, financial data, customer lists, supplier lists, business and marketing plans, processes, schematics, algorithms, techniques, analyses, proposals, source code, and data collections; (b) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims and payments for past and future infringements thereof; (c) all rights to sue for past, present and future infringements of

the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (d) all rights corresponding to any of the foregoing.

"**Trademarks**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and logos, slogans and other indicia of origin and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all renewals of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (d) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (e) all rights corresponding to any of the foregoing.

"**Trustee**" shall have the meaning set forth in the Preliminary Statement.

"**Trust Funds**" means any Cash or Cash Equivalents comprised of (a) funds specially and exclusively used or to be used for payroll and payroll taxes and other employee benefit payments to or for the benefit of any Grantor's employees, (b) funds used or to be used to pay all Taxes required to be collected, remitted or withheld (including, without limitation, federal and state withholding Taxes (including the employer's share thereof)) and (c) any other funds which any Grantor holds as an escrow or fiduciary for another Person.

"**Trust Fund Account**" means any account containing Cash consisting solely of Trust Funds.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that, if perfection or the effect of perfection or non-perfection or the priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE 2
GRANT OF SECURITY INTEREST

Section 2.01. *Grant of Security Interest*. (a) As collateral security for the prompt and complete payment or performance when due (whether at stated maturity, acceleration or otherwise), as the case may be, in full of the Secured Obligations, each Grantor hereby pledges, collaterally assigns, mortgages, transfers and grants to the Collateral Trustee on behalf of and for the benefit of the Secured Parties, a continuing security interest in all of its right, title and interest in, to and under all of the following personal property and assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor and regardless of where located (all of which are collectively referred to as the "**Collateral**"):

(i) all Accounts;

(ii) all Chattel Paper (including, without limitation, all Tangible Chattel Paper and all Electronic Chattel Paper);

(iii) all Copyrights, Patents, Trademarks and Trade Secrets;

(iv) all Documents;

(v) all Equipment;

(vi) all Fixtures;

(vii) all General Intangibles;

(viii) all Goods;

(ix) all Instruments;

(x) all Inventory;

(xi) all Investment Property, Pledged Stock and Pledged Collateral;

(xii) all Money, cash and cash equivalents;

(xiii) all letters of credit and Letter-of-Credit Rights;

(xiv) all Deposit Accounts, Securities Accounts, Commodities Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained by such Grantor with any bank or other financial institution and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the foregoing;

(xv) all Security Entitlements in any or all of the foregoing;

(xvi) all Commercial Tort Claims;

(xvii) all Permits;

(xviii) all Software and all recorded data of any kind or nature, regardless of the medium of recording;

(xix) all Domain Names;

(xx) all Contracts, together with all Contract Rights arising thereunder;

(xxi) all Licenses;

(xxii) all other personal property (including intellectual property rights) not otherwise described in clauses (i) through (xxi) above, in each case now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest;

(xxiii) [reserved];

(xxiv) all Supporting Obligations; and

(xxv) all accessions to, substitutions and replacements for, Proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

(b) Notwithstanding the foregoing, the term "Collateral" (and any component of the definition thereof) shall not include:

(i) any General Intangibles or other rights arising under any contracts, instruments, leases, licenses (including Licenses), agreements or other documents as to which the grant of a security interest would (1) constitute a violation of a restriction in favor of a third party on such grant or result in the abandonment, invalidation or unenforceability of any right of such Grantor, unless and until any required consents shall have been obtained, or (2) result in a breach, termination or default under, or would otherwise be prohibited by, such contract, instrument, lease, license (including Licenses), agreement or other document; *provided, however*, such Collateral shall only be excluded, in each case under clauses (1) and (2) above, to the extent such violation or right to terminate would not be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity; and *provided, further*, that such Collateral shall not be excluded, and such security interest shall attach immediately and automatically at such time as the condition causing such violation or right to terminate shall no longer exist and to the extent severable, shall attach immediately and automatically to, any portion of such General Intangible or such other rights described above that do not result in any of the consequences specified in clauses (1) or (2) above;

(ii) any Capital Stock of Convergram, so long as it is not a Subsidiary of the Issuers and to the extent (a) such Capital Stock cannot be pledged without a breach of the Management and Ownership Agreement, (b) the pledge of such Capital Stock requires obtaining prior written consent of Convertidora under any applicable laws, or (c) the pledge of such Capital Stock would result in a change of control, repurchase obligation, create a right of termination in favor of any other party to the Management and Ownership Agreement (other than Issuers or any other Grantor) (after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity);

(iii) any personal property and assets of Convergram so long as it is not a Subsidiary of the Issuers and to the extent such personal property and assets cannot be pledged without a breach of the Management and Ownership Agreement;

(iv) any intent-to-use (or similar) Trademark applications prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein may impair the validity or enforceability of such intent-to-use Trademark applications (or any resulting registration) under applicable law;

(v) any asset or property, the granting of a security interest in which would (A) require any governmental consent, approval, license or authorization, (B) be prohibited by enforceable anti-assignment provisions of applicable law, except, in the case of this clause (B), to the extent such prohibition would be rendered ineffective under the UCC or other applicable law notwithstanding such prohibition, or (C) result in materially adverse tax consequences to any Grantor as reasonably determined by the Issuers in their good faith business judgment;

(vi) any leasehold Real Estate and any owned Real Estate Asset that is not a Material Real Estate Asset;

(vii) the Capital Stock of any not-for-profit Subsidiary;

(viii) any Margin Stock;

(ix) (a) any majority interests in partnerships and non-Wholly-Owned Subsidiaries existing on the date hereof (other than, for the avoidance of doubt, Convergram) to the extent such interests cannot be pledged without a breach of an operating agreement or other similar document or agreement in the form existing on the date hereof; *provided* that the relevant Grantor shall have used its commercially reasonable efforts to obtain all consents or take such other actions as may be necessary to enable the pledge of such interests; (b) any majority interests in partnership, joint ventures and non-Wholly Owned Subsidiaries created or acquired after the date hereof (other than, for the avoidance of doubt, Convergram) to the extent such interests cannot be pledged without a breach of a joint venture agreement, operating agreement or other similar document or agreement; *provided* that the relevant Grantor shall have used commercially reasonable efforts to obtain all consents or take such other actions as may be necessary to enable such pledge; or (c) the pledge of such interests would result in a change of control, repurchase obligation, create a right of termination in favor of any other party thereto (other than Issuers or any other Grantor) (after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity);

(x) Vehicles and other assets subject to certificates of title, except to the extent that a security interest therein can be perfected by filing a UCC financing statement in appropriate form in the applicable jurisdiction;

(xi) [reserved];

(xii) [reserved];

(xiii) [reserved];

(xiv) Excluded Account; and

(xv) any specifically identified asset having a value below $5,000,000 with respect to which the Issuers shall have reasonably determined in their good faith business judgment that the cost, burden, difficulty or consequence of obtaining or perfecting a security interest therein outweighs the fair market value thereof and the benefit of a security interest to the Secured Parties afforded thereby (all of the items referred to in clauses (i) through (xv) hereof, collectively, the "**Excluded Collateral**").

Notwithstanding anything to the contrary contained herein, immediately upon the ineffectiveness, lapse or termination of any restriction or condition set forth in the preceding paragraph, the Collateral shall include, and the Issuers shall be deemed to have granted a security in, all such rights and interests or other assets, as the case may be, as if such provision had never been in effect and the security interest provided for hereunder shall automatically attach.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

The Grantors, jointly and severally, represent and warrant to the Collateral Trustee, as of the Issue Date (after giving effect to the transactions contemplated pursuant to the Indenture), for the benefit of the Secured Parties, that:

Section 3.01. *Title, Perfection and Priority; Filing Collateral*. (a) This Security Agreement is effective to create a legal, valid and enforceable Lien on and security interest in the Collateral in which a security interest may be perfected by (i) filing a financing statement under the UCC, in appropriate form in the applicable jurisdiction under the UCC, in favor of the Collateral Trustee for the benefit of the Secured Parties and (ii) filing of a fully executed short form agreement substantially in the form of Exhibit D hereto with the United States Copyright Office or the United States Patent and Trademark Office, as applicable (each such filing, an "**IP Filing**") with the United States Copyright Office or the United States Patent and Trademark Office, as applicable, subject, in each case, as to enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing, and when appropriate financing statements have been filed with the Secretary of State of the state of organization or formation of such Grantor against such Grantor and the applicable IP Filings have been made with the United States Copyright Office or the United States Patent and Trademark Office, as applicable, the Collateral Trustee will have a legal, valid, perfected and enforceable Second Priority Lien on the Collateral (in which a security interest may be perfected by such filings) against any and all creditors of the Grantors.

(b) Each Grantor (i) has good and marketable title in the Collateral (except as could not reasonably be expected to result in a Material Adverse Effect) in which a security interest may be perfected by filing a financing statement under the UCC in favor of the Collateral Trustee for the benefit of the Secured Parties, and (ii) has full power and authority to grant to the Collateral Trustee, for the benefit of the Secured Parties, such security interest in the Collateral pursuant

hereto and to execute, deliver and perform its obligations in accordance with the terms of this Security Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

Section 3.02. [Reserved].

Section 3.03. [Reserved].

Section 3.04. [Reserved].

Section 3.05. [Reserved].

Section 3.06. *Exact Names*. As of the Issue Date, the name in which each Grantor has executed this Security Agreement and each other Note Document to which such Grantor is a party is the exact legal name of such Grantor as it appears in such Grantor's organizational documents, as filed with the Secretary of State of such Grantor's jurisdiction of organization, incorporation or formation, as applicable.

Section 3.07. [Reserved].

Section 3.08. *Accounts and Chattel Paper*. The names of the obligors, amounts owing, due dates and other material information with respect to each Grantor's Accounts and Chattel Paper that are Collateral are correctly stated in all material respects in the records of such Grantor relating thereto and, to the extent they have been created, in all invoices, to the extent that such records and invoices are required to be furnished to the Collateral Trustee by such Grantor from time to time.

Section 3.09. *Intellectual Property*. (a) As of the Issue Date, no Grantor has any ownership interest in, or title to, any United States issued Patents, Patent applications, registrations of or applications for Trademarks or registrations of or applications for Copyrights except as set forth in Schedules 5(a) or 5(b) to the Perfection Certificate.

(b) Each Grantor represents and warrants that it owns or has a valid license or right to use, all Patents, Trademarks, Domain Names, Copyrights, Software, Trade Secrets and other intellectual property rights used or held for use in the conduct of its business, and, to the knowledge of the Issuers and their Subsidiaries, the conduct of such business does not infringe, misuse, misappropriate, dilute or otherwise violate the intellectual property rights of others, except where such failure to own or license or where such infringement, misuse, misappropriation or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Each Grantor represents and warrants that such Grantor is not aware of any third-party claim (i) that any of its owned Patents, Patent applications, registrations and applications for Trademarks or registrations and applications for Copyrights is invalid or unenforceable, or (ii) challenging Grantor's rights to any of the foregoing, and no Grantor is aware of any basis for such claims, other than, in each case, to the extent any such third-party claims would not reasonably be expected to have a Material Adverse Effect.

Section 3.10. [Reserved].

Section 3.11. *Pledged Stock*. As of the Issue Date, Schedule 3 lists all Pledged Stock of each Grantor, together with the percentage of the total issued and outstanding Capital Stock of the issuer thereof represented thereby. Each Grantor further represents and warrants that (i) all Pledged Stock pledged by the Grantor has been (to the extent such concepts are relevant with respect to such Pledged Stock and Grantor) duly authorized and validly issued by the issuer thereof and are fully paid and non-assessable, (ii) with respect to any certificates delivered to the Collateral Trustee (or its bailee) representing Capital Stock, either such certificates are "securities" as defined in Section 8-102(a)(15) of the UCC pursuant to Section 8-103 of the UCC as a result of actions by the Grantor or otherwise, or, if such certificates are not "securities" under the UCC, such Grantor has so informed the Collateral Trustee and such Grantor has taken the necessary steps to perfect the Collateral Trustee's security interest therein as a General Intangible and (iii) it has complied with the applicable procedures set forth in Section 4.03 hereof with respect to all Pledged Collateral.

Section 3.12. [Reserved].

Section 3.13. *Accounts*. As of the Issue Date, all Deposit Accounts, Securities Accounts and Commodities Accounts maintained by each Grantor are described in Exhibit E, which description includes for each such account the name of the Grantor maintaining such account, the name of the financial institution at which such account is maintained and the account number of such account.

Section 3.14. *Perfection Certificate*. The Perfection Certificate and each Perfection Certificate Supplement has been duly prepared, completed and executed and the information set forth therein is correct and complete in all material respects as of the Issue Date or, in the case of each Perfection Certificate Supplement, as of the date of delivery thereof.

Section 3.15. [Reserved].

Section 3.16. *Recourse*. This Security Agreement is made with full recourse to each Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Grantor contained herein, in the Note Documents and otherwise in writing in connection herewith and therewith.

ARTICLE 4
COVENANTS

From the date hereof, and thereafter until the Termination Date, each Grantor agrees that:

Section 4.01. *General*.

(a) *Authorization to File Financing Statements; Ratification*. Each Grantor hereby authorizes the Collateral Trustee (but without obligation to do so) to file, and, if requested, agrees to prepare, execute (if applicable) and deliver to the Collateral Trustee, all financing statements, in form appropriate for filing under the UCC of the relevant jurisdiction, and other documents and take such other actions as may from time to time be

necessary and reasonably requested by the Collateral Trustee in order to establish and maintain a legal, valid and enforceable (subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing) Lien and a perfected Second Priority Lien in and, with respect to Collateral; *provided*, *however*, that the primary responsibility for filing any initial financing statements under the UCC, and the filing or recording of any other documents and to take such other actions as may from time to time be necessary in order to establish and maintain a Second Priority Lien rests solely on the applicable Grantor (subject to such Grantor obtaining necessary authorizations from the Collateral Trustee with respect to any such filing and/or recordation to the extent such approvals and consents have been timely requested in writing by such Grantor from the Collateral Trustee) and the Collateral Trustee shall have no obligation to prepare, file or record any financing statement or continuation statement or ensure the preparation, filing or recording of the same. Notwithstanding anything to the contrary set forth in this Security Agreement, the Collateral Trustee hereby agrees to authorize the applicable Grantor to (a) file any financing statements (including continuation statements) that are prepared by the applicable Grantor and which require the Collateral Trustee's authorization pursuant to Section 9-509 of the UCC or any other applicable law or (b) file or record any other documents or instruments and take such other actions as may from time to time be necessary in order to establish and maintain a Second Priority Lien, and to provide such authorization in each case within five (5) Business Days' after having received a written notice of any Grantor's intent to file any financing statements (including continuation statements and amendments) and receipt of draft financing statements therewith (but without obligation or duty on the Collateral Trustee to investigate or confirm as to the accuracy and completeness of any such financing statements, other documents, instruments or the filing jurisdictions). Each Grantor shall pay any applicable filing fees, recordation taxes and related expenses to the extent incurred by the Collateral Trustee relating to the Collateral in accordance with Section 7.06 of the Indenture. Any financing statement filed in connection with the security interests granted to the Collateral Trustee hereunder with respect to the Collateral may be filed in any filing office in any applicable UCC jurisdiction and may (i) be filed without the signature of such Grantor where permitted by law, (ii) indicate the Collateral (A) as all assets of the applicable Grantor, whether now owned or hereafter acquired, or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of such jurisdiction, or (B) by any other description which reasonably approximates the description of the Collateral contained in this Security Agreement, and (iii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether the Grantor is an organization and the type of organization of such Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Each Grantor also agrees to furnish any such information to the Collateral Trustee promptly upon request. Each Grantor shall, on the Issue Date, duly file all financing statements, in form appropriate for filing under the UCC of the relevant jurisdiction in order to establish and maintain a legal, valid, and enforceable (subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of

good faith and dealing) security interest and a valid perfected Second Priority Lien in and, with respect to Collateral.

(b) *Further Assurances*. Each Grantor agrees, at its own expense, to take any and all actions commercially reasonably necessary or advisable to defend title to the Collateral against all Persons (other than Persons holding Permitted Liens on such Collateral that have priority over the Collateral Trustee's Lien) and to defend the security interest of the Collateral Trustee in the Collateral and the priority thereof against any Lien that is not a Permitted Lien; *provided* that, nothing in this Security Agreement shall prevent any Grantor from discontinuing the operation or maintenance of any of its assets or properties if such discontinuance is (x) reasonably determined by such Grantor to be desirable in the conduct of its business and (y) permitted by the Indenture.

(c) *Change of Name, Etc*. Each Grantor agrees to furnish to the Collateral Trustee promptly, but in any event within twenty (20) calendar days, written notice of any change in: (i) such Grantor's legal name, (ii) such Grantor's identity or corporate structure or (iii) such Grantor's jurisdiction of organization, incorporation or formation, as applicable, and, in each case, shall promptly, but in any event within twenty (20) calendar days, make all filings required under the UCC or other applicable law and take all other actions necessary or reasonable to ensure that the Collateral Trustee shall continue at all times following such change to have a valid, legal and enforceable (subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing) security interest and a perfected Second Priority Lien in the Collateral for its benefit and the benefit of the other Secured Parties.

Section 4.02. [Reserved].

Section 4.03. *Pledged Collateral*.

(a) *Delivery of Certificated Securities, Tangible Chattel Paper, Instruments and Documents*. Each Grantor will (a) within ten (10) calendar days following the Issue Date, deliver to the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) for the benefit of the Secured Parties the originals of all (x) Certificated "security" (as defined in Section 8-102(a)(15) of the UCC) and (y) Tangible Chattel Paper and Instruments, in each case under this clause (y), having an outstanding balance in excess of $500,000, in each case, constituting Collateral owned by such Grantor as of the Issue Date, accompanied by undated instruments of transfer or assignment duly executed in blank, (b) after the Issue Date, hold in trust for the Collateral Trustee upon receipt and as soon as reasonably practicable after acquisition of any Certificated "security", Tangible Chattel Paper or Instruments constituting Collateral but in no event later than sixty (60) calendar days after such acquisition, deliver to the Collateral Trustee, for the benefit of the Secured Parties, (x) Certificated "security" and (y) Tangible Chattel Paper and Instruments, in each cause under this clause (y), having an outstanding balance in excess of $500,000, in each case, constituting Collateral received after the date hereof, accompanied by undated instruments of transfer or assignment duly executed in blank and (c) upon the occurrence and during the continuance of an Event of

Default, deliver to the Collateral Trustee, and thereafter hold in trust for the Collateral Trustee upon receipt and promptly deliver to the Collateral Trustee, any other Instrument evidencing or constituting Collateral.

(b) *Uncertificated Securities and Pledged Collateral*. With respect to (i) any uncertificated Pledged Stock or any Pledged Collateral held by a Clearing Corporation, Securities Intermediary or other financial intermediary of any kind, at the Collateral Trustee's request, the relevant Grantor shall execute and deliver, and shall cause any such issuer or intermediary to execute and deliver, an agreement among such Grantor, the Collateral Trustee and such issuer or intermediary in form and substance reasonably satisfactory to the Collateral Trustee which provides, among other things, for the issuer's or intermediary's agreement that it will comply with such entitlement orders, and apply any value distributed on account of any Pledged Collateral, as directed by the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) without further consent by such Grantor and (ii) any partnership interest or limited liability company interest of any Grantor (other than Excluded Collateral and a partnership interest or limited liability company interest held by a Clearing Corporation, Securities Intermediary or other financial intermediary of any kind) which is not represented by a certificate and/or which is not a "security" for purposes of the UCC, such Grantor shall not permit any issuer of such partnership interests or limited liability company interests to (A) enter into any agreement with any Person, other than the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement), whereby such issuer effectively delivers "control" of such partnership interests or limited liability company interests (as applicable) under the UCC to such Person, or (B) allow such partnership interests or limited liability company interests (as applicable) to become Securities unless such Grantor complies with the procedures set forth in Sections 4.03(a) or 4.03(b)(i), as applicable.

(c) *Registration in Nominee Name; Denominations*. The Collateral Trustee, on behalf of the Secured Parties, shall hold certificated Pledged Collateral required to be delivered to the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) under clause (a) above in the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Trustee, but following the occurrence and during the continuance of an Event of Default and upon prior written notice to the Issuers, the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) shall have the right (in its sole and absolute discretion) to hold the Pledged Collateral in its own name as pledgee, or in the name of its nominee (as pledgee or as sub-agent). Following the occurrence and during the continuance of an Event of Default, the Collateral Trustee shall at all times have the right to exchange the certificates representing Pledged Collateral for certificates of smaller or larger denominations for any purpose consistent with this Security Agreement.

(d) *Exercise of Rights in Pledged Collateral*. Unless and until an Event of Default shall have occurred and be continuing,

(i) each Grantor shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral for all purposes not inconsistent with this Security Agreement, the Indenture or any other Note Document;

(ii) each Grantor will permit the Collateral Trustee or its nominee at any time after the occurrence and during the continuance of an Event of Default and upon prior written notice from the Collateral Trustee to the Grantors stating its intent to exercise remedies under this Section 4.03(d)(ii), to exercise all voting rights or other rights relating to Pledged Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any Capital Stock or Investment Property constituting Pledged Collateral as if it were the absolute owner thereof, in each case in accordance with the terms of the Indenture, the other Note Documents and applicable law; and

(iii) each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral; *provided* that any non-cash dividends or other distributions that would constitute Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding Capital Stock of the issuer of any Pledged Collateral or received in exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall, to the extent constituting Collateral, be and become part of the Pledged Collateral, and, if received by any Grantor, shall be delivered to the Collateral Trustee (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) as required by clause (a) above. So long as no Event of Default has occurred and is continuing, the Collateral Trustee shall promptly deliver to each Grantor (without recourse and without any representation or warranty (express or implied)) any Pledged Collateral in its possession if requested to be delivered to the issuer thereof in connection with any redemption or exchange of such Pledged Collateral permitted by the Indenture.

Section 4.04. *Intellectual Property*. (a) Upon the occurrence and during the continuance of an Event of Default and upon the written request of the Collateral Trustee, each Grantor will use its commercially reasonable efforts to obtain all consents and approvals necessary or appropriate for the assignment to or for the benefit of the Collateral Trustee of any License constituting Collateral held by such Grantor to enable the Collateral Trustee to enforce the security interests granted hereunder. To the extent required pursuant to any License constituting Collateral pursuant to which a Grantor is the licensee, each Grantor party to such License shall deliver to the licensor thereunder any notice of the grant of security interest hereunder or such other notices required to be delivered thereunder in order to permit the security interest created or permitted to be created hereunder pursuant to the terms of such License.

(b) Each Grantor shall notify the Collateral Trustee promptly, but in any event within forty-five (45) calendar days (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this clause (b), as requested by a Grantor and agreed by the Collateral Trustee) if an Officer of the applicable Grantor

knows or reasonably expects that any of its owned Patents, Patent application, Trademark registration or applications, or Copyright registrations or application (now or hereafter existing) may become abandoned or dedicated to the public, or of any determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) abandoning or challenging such Grantor's ownership of any such Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same, except, in each case, for dispositions permitted under the Indenture or where such occurrences individually or in the aggregate, could not result in a Material Adverse Effect on the business of such Grantor.

(c) In the event that a Grantor files a Patent application, Trademark application (excluding intent-to-use (or similar) Trademark applications prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein may impair the validity or enforceability of such intent-to-use Trademark applications (or any resulting registration) under applicable law) or Copyright application with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, that, in each case, would be material if the application were to be issued or registered or acquires a Patent, Trademark or Copyright, it shall, on or prior to forty-five (45) calendar days following the date of such filing (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this clause (c), as requested by a Grantor and agreed by the Collateral Trustee), provide the Collateral Trustee with written notice thereof, and such Grantor shall execute and deliver any and all security agreements or other instruments reasonably necessary or advisable to evidence the Collateral Trustee's security interest in such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(d) Each Grantor shall take all necessary and reasonably advisable actions to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents, Trademarks, Domain Names and Copyrights (now or hereafter existing) to the extent constituting Collateral where the failure to do so could reasonably be expected to result in a Material Adverse Effect, or except as otherwise permitted under the Indenture, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and, if consistent with good business judgment, to initiate opposition and interference and cancellation proceedings against third parties.

(e) Each Grantor shall promptly, but in any event within forty-five (45) calendar days (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this clause (e), as requested by a Grantor and agreed by the Collateral Trustee) of an Officer (or equivalent thereof) of the applicable Grantor obtaining knowledge thereof, notify the Collateral Trustee of any material infringement or misappropriation of such Grantor's Patents, Trademarks, Copyrights or Trade Secrets of which it becomes aware and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution of such Patent, Trademark or Copyright and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as are reasonable and

appropriate under the circumstances to protect such Patent, Trademark, Copyright or Trade Secret, except where such infringement, misappropriation or dilution could not reasonably be expected to cause a Material Adverse Effect.

(f) Notwithstanding anything contained in this Security Agreement, no Grantor shall be required to make any filings to perfect security interests in any registered foreign intellectual property of such Grantor in any foreign jurisdiction, except to the extent (i) any such jurisdiction (other than Mexico) accounts for fifteen (15) percent or more of aggregate international sales of the Grantors on a consolidated basis (as of the date hereof, such jurisdictions are the United Kingdom, Canada and Germany) and (ii) in the case of Mexico, if the international sales from Mexico account for ten (10) percent or more of aggregate international sales of the Grantors on a consolidated basis. This Section 4.04(f) shall not limit Section 5.03 below.

Section 4.05. *Commercial Tort Claims*. After the Issue Date, promptly, and in any event within thirty (30) calendar days after the same is acquired by it (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this Section 4.05, as requested by a Grantor and agreed by the Collateral Trustee), each Grantor shall notify the Collateral Trustee of any Commercial Tort Claim having a value in excess of $600,000 (as reasonably estimated by the Issuers) acquired by it, together with a written update to Schedule 6 of the Perfection Certificate describing the details thereof, and such Commercial Tort Claims and all Proceeds thereof shall automatically be subject to a Second Priority Lien in favor of the Collateral Trustee (for the benefit of the Secured Parties), all upon the terms of this Security Agreement. The grant of a security interest in any such Commercial Tort Claim shall not prejudice the right of such Grantor to prosecute, enforce or exercise any of its rights in connection with such Commercial Tort Claim.

Section 4.06. *Letter-of-Credit Rights*. If any Grantor is or becomes the beneficiary of a letter of credit having a face amount in excess of $500,000, such Grantor shall promptly, but in any event within thirty (30) calendar days of becoming such beneficiary (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this Section 4.06, as requested by a Grantor and agreed by the Collateral Trustee), notify the Collateral Trustee thereof.

Section 4.07. [Reserved].

Section 4.08. *Insurance.* (a) The Issuers and the Grantors shall maintain, with reputable companies, insurance policies insuring their property in at least such amounts and against such risks (but including in any event public liability) as are usually insured against in the same general area by companies engaged in the same or a similar business.

(b) The insurance policies with respect to the Grantors shall name the Collateral Trustee (on behalf of the Secured Parties) as (i) an additional insured, lender's loss payable and/or mortgagee in respect of any property insurance as it relates to the Collateral, (ii) as additional insured in respect of any liability insurance policies, as applicable, and (iii) a collateral assignee of any business interruption insurance (unless such business interruption insurance is included within a property insurance policy of the Grantors with respect to

which the Collateral Trustee has been named as a loss payee). Except to the extent otherwise permitted to be retained by such Grantor or applied by such Grantor pursuant to the terms of the Note Documents, the Collateral Trustee shall, at the time any proceeds of any insurance are distributed to the Secured Parties, apply such proceeds in accordance with Section 5.04 hereof. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor. The Grantors shall no later than ninety (90) calendar days following the Issue Date (or such longer period, but in any event no later than fifteen (15) calendar days from the initial deadline referred in this clause (b), as requested by a Grantor with notice to the Collateral Trustee), deliver to the Collateral Trustee (A) insurance endorsements for the Grantors' casualty insurance policies (including any business interruption policies) that relate to the Collateral naming the Collateral Trustee on behalf of the Secured Parties as an additional insured, (B) property insurance policies containing a lender's loss payable and/or mortgagee clause or endorsement, that names the Collateral Trustee, on behalf of the Secured Parties, as the lender's loss payable and/or mortgagee thereunder, with respect to the insurance policies that relate to the Collateral, and (C) a collateral assignee of any business interruption insurance policies (unless such business interruption insurance is included within a property insurance policy of the Grantors with respect to which the Collateral Trustee has been named as a loss payee), that names the Collateral Trustee, on behalf of the Secured Parties, as the collateral assignee thereunder.

Section 4.09. *Collateral Access Agreements*. Each Grantor shall use commercially reasonable efforts to obtain a collateral access agreement (the "**Collateral Access Agreement**") in substantially the form of Exhibit F or G, as applicable, from the lessor of each of its leased properties (other than stores) and the bailee, warehouseman or other third party with respect to any warehouse or other location, in each case where Inventory having a value in excess of $1,000,000 is stored or located (other than with respect to locations where Inventory is stored or located on a temporary basis (not to exceed thirty (30) calendar days) in connection with docking and stevedoring services related to such Inventory); *provided* that if such Inventory having a value in excess of $1,000,000 is stored or located in such locations for longer than thirty (30) calendar days, each Grantor shall promptly provide written notice to the Collateral Trustee and use commercially reasonable efforts to obtain a collateral access agreement from the lessor of such location.

Section 4.10. *Grantors Remain Liable Under Contracts.* Each Grantor (rather than the Collateral Trustee or any Secured Party) shall remain liable (as between itself and any relevant counterparty) to observe and perform all the material conditions and obligations to be observed and performed by it under each Contract relating to the Collateral, all in accordance with the terms and conditions thereof. Neither the Collateral Trustee nor any other Secured Party shall have any obligation or liability under any Contract by reason of or arising out of this Security Agreement or the receipt by the Collateral Trustee or any other Secured Party of any payment relating to such Contract pursuant hereto, nor shall the Collateral Trustee or any other Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or sufficiency of any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

Section 4.11. *Grantors Remain Liable Under Accounts.* Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Accounts to observe and perform all of the material conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. Neither the Collateral Trustee nor any other Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Trustee or any other Secured Party of any payment relating to such Account pursuant hereto, nor shall the Collateral Trustee or any other Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

Section 4.12. *Blocked Account Agreements.* Each Grantor shall use commercially reasonable efforts to enter into a springing account control agreement with respect to any Blocked Account, each in form reasonably satisfactory to the Collateral Trustee as to its duties and obligations, with the Collateral Trustee and any bank with which such Grantor maintains a Blocked Account covering each such account maintained with such bank (such agreement, a "**Blocked Account Agreement**"). Each Grantor that is a Domestic Subsidiary shall maintain all of its Deposit Accounts, Securities Accounts and Commodities Accounts (other than Excluded Accounts) in the United States.

ARTICLE 5
REMEDIES

Section 5.01. *Remedies*. (a) Each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, the Collateral Trustee (subject to the provisions of the Intercreditor Agreement) may exercise any or all of the following rights and remedies (in addition to the rights and remedies existing under applicable law):

(i) those rights and remedies provided in this Security Agreement, the Indenture, or any other Note Document; *provided* that this Section 5.01(a) shall not be understood to limit any rights available to the Collateral Trustee and the Holders prior to an Event of Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' Lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any Blocked Account Agreement, Collateral Access Agreement or any other control or

similar agreement and take any action permitted therein with respect to the applicable Collateral;

(iv) to the extent permitted by applicable law, without notice (except as specifically provided in Section 7.01 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, personally, or by agents or attorneys, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time within ordinary business hours with or without notice and may take place at such Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Collateral Trustee may deem commercially reasonable;

(v) upon prior written notice to the Grantors, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, and subject to the notice requirements of Section 4.03(d)(ii), to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Collateral Trustee was the outright owner thereof;

(vi) withdraw any and all cash or other Collateral from any Blocked Account and apply such cash and other Collateral to the payment of any and all Secured Obligations in the manner provided in Section 5.04 of this Security Agreement; and

(vii) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Trustee at any reasonable place or places designated by the Collateral Trustee, in which event such Grantor shall at its own expense:

(1) forthwith cause the same to be moved to the place or places so designated by the Collateral Trustee and there delivered to the Collateral Trustee;

(2) store and keep any Collateral so delivered to the Collateral Trustee at such place or places pending further action by the Collateral Trustee; and

(3) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition.

(b) Each Grantor acknowledges and agrees that the compliance by the Collateral Trustee, on behalf of the Secured Parties, with any applicable state or federal law requirements in connection with a disposition of the Collateral will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Collateral Trustee shall have the right upon any public sale or sales and, to the extent permitted by law, upon any private sale or sales, to purchase for the benefit of the Collateral Trustee and the other Secured Parties, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption each Grantor hereby expressly releases.

(d) Until the Collateral Trustee is able to effect a sale, lease, transfer or other disposition of the Collateral under this Section 5.01, the Collateral Trustee shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or the value of the Collateral, or for any other purpose deemed appropriate by the Collateral Trustee. Upon the occurrence and during the continuance of an Event of Default, the Collateral Trustee may, if it so elects, seek the appointment of a receiver or keeper to take possession of the Collateral and to enforce any of the Collateral Trustee's remedies (for the benefit of the Collateral Trustee and Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, neither the Collateral Trustee nor the Secured Parties shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, the Grantors, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) Each Grantor recognizes that the Collateral Trustee may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Collateral Trustee shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if any Grantor and such issuer would agree to do so.

Section 5.02. *Grantors' Obligations Upon Default*. Upon the written request of the Collateral Trustee after the occurrence and during the continuance of an Event of Default, each Grantor will:

(a) at its own cost and expense (i) assemble and make available to the Collateral Trustee the Collateral and all books and records relating thereto at a place and time to be reasonably designated by the Collateral Trustee in consultation with the applicable Grantor, (ii) deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Trustee or to its representatives (copies of which evidence and books and records may be retained by such Grantor) to the extent such assets constitute Collateral and (iii) if the Collateral Trustee so directs, such Grantor shall legend, in form and manner satisfactory to the Collateral Trustee, the Accounts and the Contracts, as well as books, records and documents (if any) of such Grantor to the extent such assets constitute Collateral evidencing or pertaining to such Accounts and Contracts to the extent such assets constitute Collateral with an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Collateral Trustee and that the Collateral Trustee has a security interest therein; and

(b) permit the Collateral Trustee, by the Collateral Trustee's representatives and agents, to enter, occupy and use any premises owned by the Grantors or, to the extent lawful and permitted, leased by any of the Grantors where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay any Grantor for such use and occupancy; provided that, the Collateral Trustee shall use commercially reasonable efforts to provide the applicable Grantor with notice thereof prior to such occupancy, entry and use and such notice and failure to provide such notice shall not affect the rights and obligations under this Section 5.02(b).

Section 5.03. *Intellectual Property Remedies*. (a) For the purpose of enabling the Collateral Trustee to exercise the rights and remedies under this Article 5 upon the occurrence and during the continuance of an Event of Default and at such time as the Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Trustee a power of attorney to sign any document which may be required by the United States Patent and Trademark Office or similar registrar in order to effect an absolute assignment of all right, title and interest in each registered Patent, Trademark, Domain Name, and Copyright and each application for such registration, and record the same, in each case to the extent such assets constitute Collateral. If an Event of Default shall occur and be continuing, the Collateral Trustee may (i) declare the entire right, title and interest of such Grantor in and to each Patent, Trademark, Domain Name, Copyright, Software or Trade Secret, in each case to the extent such assets constitute Collateral, vested in the Collateral Trustee for the benefit of the Secured Parties, in which event such rights, title and interest shall immediately vest, in the Collateral Trustee for the benefit of the Secured Parties, and the Collateral Trustee shall be entitled to exercise the power of attorney referred to in this Section 5.03 hereof to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency or registrar; (ii) sell any Grantor's

Inventory (to the extent it constitutes Collateral) directly to any Person, including, without limitation, Persons who have previously purchased any Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Collateral Trustee's rights under this Security Agreement, may (subject to any restrictions contained in applicable third party licenses entered into by a Grantor) sell Inventory (to the extent it constitutes Collateral) which bears any Trademark owned by or licensed to any Grantor and any Inventory (to the extent it constitutes Collateral) that is covered by any Copyright owned by or licensed to such Grantor and the Collateral Trustee may finish any work in process and affix any relevant Trademark owned by or licensed to any Grantor and sell such Inventory as provided herein; (iii) direct such Grantor to refrain, in which event such Grantor shall refrain, from using any Patent, Trademark, Domain Name, Copyright, Software and Trade Secret, in each case to the extent such assets constitute Collateral, in any manner whatsoever, directly or indirectly; and (iv) assign or sell the Patents, Trademarks, Copyrights, Domain Names, Software and Trade Secrets, in each case to the extent constituting Collateral, as well as the goodwill of such Grantor's business symbolized by the Trademarks and the right to carry on the business and use the assets of such Grantor in connection with which the Trademarks or Domain Names have been used.

(b) Each Grantor hereby grants to the Collateral Trustee an irrevocable (until the Termination Date), nonexclusive (exercisable without royalty or other compensation to such Grantor) license to use, license or sublicense any Patents, Trademarks, Copyrights, Software and Trade Secrets now owned or hereafter acquired by such Grantor, wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and (to the extent not prohibited by any applicable contract) to all computer software and programs used for compilation or printout thereof. The use of the license granted pursuant to the preceding sentence by the Collateral Trustee may be exercised, at the option of the Collateral Trustee, only upon the occurrence and during the continuance of an Event of Default; *provided* that, any such license or sublicense entered into by the Collateral Trustee during the continuation of an Event of Default in accordance herewith shall be binding upon such Grantor notwithstanding any subsequent cure of the Event of Default in accordance with the terms of the Indenture and, following the termination of this Agreement, any such licenses shall survive as direct licenses of the Grantor in accordance with their terms; *provided*, *further*, that such licenses to be granted hereunder with respect to Trademarks shall be subject to, with respect to the goods and/or services on which such Trademarks are used, maintenance of quality standards that are sufficient to preserve the validity of such Trademarks and are consistent with past practices.

Section 5.04. *Application of Proceeds*. (a) The Collateral Trustee shall apply the proceeds of any collection, sale, foreclosure or other realization upon any Collateral, as well as any Collateral consisting of Cash, as set forth in Section 6.10 of the Indenture.

(b) Except as otherwise provided herein or in the other Note Documents, the Collateral Trustee shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Security Agreement. Upon any sale of the Collateral by the Collateral Trustee (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Trustee or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the

Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Trustee or such officer or be answerable in any way for the misapplication thereof. It is understood that the Grantors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Secured Obligations.

ARTICLE 6
ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

Section 6.01. *Account Verification*. The Collateral Trustee may at any time and from time to time following the occurrence and during the continuance of an Event of Default, in the Collateral Trustee's own name, in the name of a nominee of the Collateral Trustee, or in the name of any Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of such Grantor, parties to Contracts with such Grantor and obligors in respect of Instruments of such Grantor to verify with such Persons, to the Collateral Trustee's reasonable satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables that are Collateral.

Section 6.02. *Authorization for Secured Party to Take Certain Action*. (a) Each Grantor hereby irrevocably authorizes the Collateral Trustee (but without obligation to do so) and appoints the Collateral Trustee (until the Termination Date) (and all officers, employees or agents designated by the Collateral Trustee) (or the First Lien Collateral Trustee, subject to the provisions of the Intercreditor Agreement) as its true and lawful attorney in fact (i) at any time and from time to time in the sole discretion of the Collateral Trustee (A) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Collateral Trustee's reasonable discretion to perfect and to maintain the perfection and priority of the Collateral Trustee's security interest in the Collateral and (B) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which would not add new collateral or add a debtor, except as otherwise provided for herein or in any other Note Document) in such jurisdictions as required pursuant to the UCC or as the Collateral Trustee in its reasonable discretion deems necessary to perfect and to maintain the perfection and priority of the Collateral Trustee's security interest in the Collateral; (ii) at any time following the occurrence and during the continuance of an Event of Default in the sole discretion of the Collateral Trustee (in the name of such Grantor or otherwise), (A) to endorse and collect any cash proceeds of the Collateral and to apply the proceeds of any Collateral received by the Collateral Trustee to the Secured Obligations as provided herein or in the Indenture or any other Note Document, (B) to demand payment or enforce payment of the Receivables in the name of the Collateral Trustee or any Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (C) to sign any Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of such Grantor, assignments and verifications of Receivables, (D) to exercise all of any Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (E) to settle, adjust, compromise, extend or renew the Receivables, (F) to settle, adjust or compromise any legal proceedings brought to collect Receivables, (G) to prepare, file and sign any Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of such Grantor, (H) to prepare, file

and sign any Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (I) to change the address for delivery of mail addressed to any Grantor to such address as the Collateral Trustee may designate and to receive, open and dispose of all mail addressed to such Grantor (provided copies of such mail is provided to such Grantor), (J) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for Permitted Liens); provided that, the Grantors shall not be obligated to reimburse the Collateral Trustee with respect to any intellectual property that any Grantor has failed to maintain or pursue, or otherwise allowed to lapse, terminate or be put into the public domain in accordance with Section 4.04, (K) to make, settle and adjust claims in respect of the Collateral under policies of insurance, endorse the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance, (L) make all determinations and decisions with respect thereto; (M) obtain or maintain the policies of insurance of the types referred to in Section 4.08 of this Security Agreement or to pay any premium in whole or in part relating thereto; and (N) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Pledged Collateral or with securities intermediaries holding Pledged Collateral as may be necessary or advisable to give the Collateral Trustee Control over such Pledged Collateral and (iii) to do all other acts and things or institute any proceedings as may be necessary or reasonably advisable (pursuant to this Security Agreement and the other Note Documents and in accordance with applicable law) to carry out the terms of this Security Agreement and to protect the interests of the Secured Parties; and, to the extent required pursuant to Section 7.06 of the Indenture, each Grantor agrees to reimburse the Collateral Trustee on demand for any payment made in connection with this paragraph or any expense (including reasonable and documented attorneys' fees, court costs and expenses) and other charges related thereto incurred by the Collateral Trustee in connection with any of the foregoing and any such sums shall constitute additional Secured Obligations; *provided* that, this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Indenture. The Collateral Trustee agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.02 unless an Event of Default has occurred and is continuing.

(b) All prior acts of said attorney or designee are hereby ratified and approved by the Grantors. The powers conferred on the Collateral Trustee, for the benefit of the Collateral Trustee and Secured Parties, under this Section 6.02 are solely to protect the Collateral Trustee's interests in the Collateral and shall not impose any duty upon the Collateral Trustee or any Secured Party to exercise any such powers.

Section 6.03. *PROXY*. EACH GRANTOR HEREBY IRREVOCABLY (UNTIL THE TERMINATION DATE) CONSTITUTES AND APPOINTS THE COLLATERAL TRUSTEE AS ITS PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.02 ABOVE) WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING, DURING THE CONTINUATION OF AN EVENT OF DEFAULT AND SUBJECT TO ANY NOTICE REQUIREMENTS SET FORTH HEREIN, THE RIGHT TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL, THE APPOINTMENT OF THE COLLATERAL TRUSTEE AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT, UPON THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT AND SUBJECT TO ANY NOTICE REQUIREMENTS SET FORTH HEREIN, TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A

HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS); *PROVIDED* THAT THE COLLATERAL TRUSTEE AGREES THAT IT WILL NOT EXERCISE ANY RIGHTS UNDER THE POWER OF ATTORNEY UNLESS AND UNTIL AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING. SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUERS OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), IN EACH CASE ONLY UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT.

Section 6.04. *NATURE OF APPOINTMENT; LIMITATION OF DUTY*. THE APPOINTMENT OF THE COLLATERAL TRUSTEE AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE 6 IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 7.14. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE COLLATERAL TRUSTEE, NOR ANY SECURED PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT TO THE EXTENT SUCH DAMAGES ARE ATTRIBUTABLE TO THEIR OWN BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; *PROVIDED* THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES; *PROVIDED*, *FURTHER*, THAT THE FOREGOING EXCEPTION SHALL NOT BE CONSTRUED TO OBLIGATE THE COLLATERAL TRUSTEE TO TAKE OR REFRAIN FROM TAKING ANY ACTION WITH RESPECT TO THE COLLATERAL.

ARTICLE 7
GENERAL PROVISIONS

Section 7.01. *Waivers*. To the maximum extent permitted by applicable law, each Grantor hereby waives notice of the time and place of any judicial hearing in connection with the Collateral Trustee's taking possession of the Collateral or of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantors, addressed as set forth in Article 8, at least ten (10) calendar days prior to (a) the date of any such public sale or (b) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Collateral Trustee or any Secured Party arising out of the repossession, retention or sale of the Collateral, except such as arise out of the bad faith, gross negligence or willful misconduct of the Collateral Trustee or such Secured Party

as determined by a court of competent jurisdiction in a final and non-appealable judgment. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Collateral Trustee or any Secured Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest, any notice (to the maximum extent permitted by applicable law) of any kind or all other requirements as to the time, place and terms of sale in connection with this Security Agreement or any Collateral.

Section 7.02. *Limitation on Collateral Trustee's and Secured Party's Duty with Respect to the Collateral*. The Collateral Trustee shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Collateral Trustee and each Secured Party shall use reasonable care with respect to the Collateral in its possession; provided that, the Collateral Trustee shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to which it accords its own property, provided that the Collateral Trustee shall have no obligation or duty to obtain or monitor any insurance in respect of the Collateral. Neither the Collateral Trustee nor any Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Trustee or such Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Collateral Trustee to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it would be commercially reasonable for the Collateral Trustee (a) to fail to incur expenses deemed significant by the Collateral Trustee to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by applicable law, to fail to obtain governmental or third party consents for the collection or disposition of the Collateral to be collected or disposed, (c) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (d) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of the Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) to purchase insurance or credit enhancements to insure the Collateral Trustee against risks of loss, collection or disposition of the Collateral or to provide to the Collateral Trustee a guaranteed return from the collection or disposition of the Collateral, or (l) to the extent deemed appropriate by the Collateral Trustee, to obtain the services of other brokers, investment bankers, consultants and other professionals to

assist the Collateral Trustee in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 7.02 is to provide non-exhaustive indications of what actions or omissions by the Collateral Trustee would be commercially reasonable in the Collateral Trustee's exercise of remedies against the Collateral and that other actions or omissions by the Collateral Trustee shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 7.02. Without limitation upon the foregoing, nothing contained in this Section 7.02 shall be construed to grant any rights to any Grantor or to impose any duties on the Collateral Trustee that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 7.02.

Section 7.03. *Compromises and Collection of Collateral*. Each Grantor and the Collateral Trustee recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Collateral Trustee may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable to the extent it constitutes Collateral, accept in full payment of any Receivable to the extent it constitutes Collateral such amount as the Collateral Trustee in its sole discretion shall determine or abandon any such Receivable, and any such action by the Collateral Trustee shall be commercially reasonable so long as the Collateral Trustee acts in good faith based on information known to it at the time it takes any such action.

Section 7.04. *Secured Party Performance of Debtor Obligations*. Without having any obligation to do so, the Collateral Trustee may, during the continuance of an Event of Default, perform or pay any obligation which any Grantor has agreed to perform or pay under this Security Agreement and which obligation is due and unpaid and not being contested by such Grantor in good faith and the Grantor shall reimburse the Collateral Trustee for any amounts paid by the Collateral Trustee pursuant to this Section 7.04. Each Grantor's obligation to reimburse the Collateral Trustee pursuant to the preceding sentence shall be a Secured Obligation payable in accordance with Section 7.06 of the Indenture.

Section 7.05. [Reserved].

Section 7.06. [Reserved].

Section 7.07. *No Waiver; Amendments; Cumulative Remedies*. No delay or omission of the Collateral Trustee or any Secured Party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Grantors and the Collateral Trustee, subject to the concurrence or at the direction of the requisite Holders of Securities to the extent required under Sections 9.01 and 9.02 of the Indenture, as applicable, and then only to the extent in such writing specifically set forth. All rights and remedies with respect

to the Collateral contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Collateral Trustee and the other Secured Parties until the Termination Date.

Section 7.08. *Limitation by Law; Severability of Provisions*. All rights, remedies and powers with respect to the Collateral provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that such provisions shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. To the extent permitted by law, any provision of this Security Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions of this Security Agreement; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 7.09. *Security Interest Absolute*. (a) All rights of the Collateral Trustee hereunder, the security interests granted hereunder and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Indenture, any other Note Document, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Indenture, any other Note Document or any other agreement or instrument relating to the foregoing, (iii) any exchange, release or non-perfection of any Lien on any Collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations or this Security Agreement, (iv) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Security Agreement or any other Note Document, (v) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or any similar proceeding of any Grantor or (vi) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Secured Obligations or this Security Agreement (other than a termination of any Lien contemplated by Section 7.14 or the occurrence of the Termination Date, but in each case, without prejudice to the reinstatement of rights under Section 8.06 of the Indenture).

(b) No failure on the part of the Secured Parties to exercise, and no delay in exercising, any right hereunder or under any other Note Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Collateral Trustee provided herein and in the other Note Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Collateral Trustee hereunder against any party hereto are not conditional or contingent on any attempt by such Person to exercise any of its rights under any other Note Document against such party or against any other Person, including but not limited to, any Grantor.

Section 7.10. *Benefit of Security Agreement*. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of each Grantor, the Collateral Trustee and the other Secured Parties and their respective successors and permitted assigns (including all Persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Collateral Trustee, except in connection with any assignments, transfers, or other dispositions permitted pursuant to Sections 5.01 and 5.02 of the Indenture. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Collateral Trustee, for the benefit of the Collateral Trustee and the other Secured Parties, hereunder.

Section 7.11. *Survival of Representations*. All representations and warranties of each Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement until the Termination Date.

Section 7.12. *Additional Subsidiaries*. Pursuant to and in accordance with Section 10.06 and Article 11 of the Indenture, each Subsidiary (other than an Excluded Subsidiary) of the Issuers that was not in existence or not a Subsidiary on the Issue Date or that ceases to be an Excluded Subsidiary is required to enter in this Security Agreement as a Subsidiary Party upon becoming a Subsidiary or ceasing to be an Excluded Subsidiary, in each case, within the time periods specified in Article 11 of the Indenture. Upon execution and delivery by the Collateral Trustee and such Subsidiary of an instrument substantially in the form of Exhibit H hereto, such Subsidiary shall become a Subsidiary Party hereunder with the same force and effect as if originally named as a Subsidiary Party herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor hereunder or any Secured Party. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

Section 7.13. *Headings*. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

Section 7.14. *Termination or Release*. (a) This Security Agreement shall continue in effect until the Termination Date.

(b) A Subsidiary Party shall automatically be released from its obligations hereunder and the security interests created hereunder in the Collateral of such Subsidiary Party shall be automatically released upon the consummation of any transaction permitted pursuant to the Indenture as a result of which such Subsidiary Party ceases to be a Subsidiary and/or upon effectiveness of any written consent to the release of security interest granted in the Collateral pursuant to the Indenture.

(c) Upon (i) any sale or other transfer permitted under the Note Documents by any Grantor of any Collateral to any Person that is not another Grantor, (ii) the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Sections 9.02 and 11.06 of the Indenture, (iii) the occurrence of

any event that causes any part of the Collateral to cease to constitute Collateral, (iv) the release of the Grantor owning such Collateral in accordance with clause (b) above or (v) the release of Collateral by the First Priority Collateral Trustee as set forth in Section 5.01 of the Intercreditor Agreement, the security interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Collateral Trustee shall promptly execute and deliver to any Grantor, at such Grantor's expense, all UCC termination statements and similar documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.14 shall be without recourse to or representation or warranty (express or implied) by the Collateral Trustee or any Secured Party. The Issuers shall reimburse the Collateral Trustee for all costs and expenses, including the fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.14 pursuant to Section 7.06 of the Indenture.

(e) At any time that a Grantor desires that the Collateral Trustee take any action to acknowledge or give effect to any release of the Collateral pursuant to the foregoing Sections 7.14(a), (b), (c) or (d), such Grantor shall deliver to the Collateral Trustee a certificate signed by an Officer of any Issuer stating that the release of the respective Collateral is permitted pursuant to such Sections 7.14(a), (b), (c) or (d) and the terms of the Indenture. At any time that the Issuers or the respective Grantors desire that a Subsidiary of the Issuers be released hereunder, either Issuer shall deliver to the Collateral Trustee a certificate signed by an Officer of such Issuer stating that the release of the respective Grantor (and its Collateral) is permitted pursuant to such Sections 7.14(a), (b), (c) or (d) and in accordance with the terms and conditions of the Indenture.

(f) The Collateral Trustee shall have no liability whatsoever to any other Secured Party as the result of any release of the Collateral by it in accordance with (or which the Collateral Trustee in good faith believes to be in accordance with) this Section 7.14.

Section 7.15. *Entire Agreement*. This Security Agreement, together with the other Note Documents, embodies the entire agreement and understanding between each Grantor and the Collateral Trustee relating to the Collateral and supersedes all prior agreements and understandings between any Grantor and the Collateral Trustee relating to the Collateral.

Section 7.16. ***CHOICE OF LAW*. THIS SECURITY AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SECURITY AGREEMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

Section 7.17. ***CONSENT TO JURISDICTION; CONSENT TO SERVICE OF PROCESS.***

(a) SUBJECT TO THE LAST SENTENCE OF THIS CLAUSE (A), EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY U.S. FEDERAL OR NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK (OR ANY APPELLATE COURT THEREFROM) OVER ANY SUIT, IN ANY ACTION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS, CONTROVERSIES OR DISPUTES IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL (EXCEPT AS PERMITTED BELOW) BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENTS BY REGISTERED MAIL ADDRESSED TO SUCH PERSON SHALL BE EFFECTIVE SERVICE OF PROCESS AGAINST SUCH PERSON FOR ANY SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY CLAIM THAT ANY SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM OR DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY HERETO AGREES THAT THE COLLATERAL TRUSTEE AND HOLDERS RETAIN THE RIGHT TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION SOLELY IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER THIS SECURITY AGREEMENT.

(b) TO THE EXTENT PERMITTED BY LAW, EACH PARTY TO THIS SECURITY AGREEMENT HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL) DIRECTED TO IT AT ITS ADDRESS FOR NOTICES AS PROVIDED FOR IN SECTION 12.01 OF THE INDENTURE. EACH GRANTOR HEREBY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SERVICE OF PROCESS WAS INVALID AND INEFFECTIVE. NOTHING IN THIS SECURITY AGREEMENT WILL AFFECT THE RIGHT OF ANY

PARTY TO THIS SECURITY AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 7.18. ***WAIVER OF JURY TRIAL.*** **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION, LEGAL PROCEEDING OR COUNTERCLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

Section 7.19. *Indemnity*. Each Grantor hereby agrees to indemnify the Collateral Trustee and the other Secured Parties, and their respective successors, permitted assigns, agents and employees, as, and to the extent, set forth in Section 7.06 of the Indenture.

Section 7.20. *Counterparts*. This Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Security Agreement by facsimile or by email as a ".pdf" or ".tif" attachment or other customary means of electronic transmission shall be as effective as delivery of a manually executed counterpart of this Security Agreement. The words "execution," "signed," "signature," and words of like import in this Security Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 7.21. *INTERCREDITOR AGREEMENT GOVERNS.* NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, (I) THE PRIORITY OF LIENS AND THE SECURITY INTERESTS GRANTED IN FAVOR OF THE COLLATERAL TRUSTEE FOR THE BENEFIT OF THE SECURED PARTIES PURSUANT TO THIS SECURITY AGREEMENT ARE EXPRESSLY SUBJECT AND SUBORDINATE TO THE LIENS AND THE SECURITY INTERESTS GRANTED IN FAVOR OF THE FIRST PRIORITY SECURED PARTIES (AS DEFINED IN THE INTERCREDITOR AGREEMENT), INCLUDING LIENS AND SECURITY INTERESTS GRANTED IN FAVOR OF THE FIRST PRIORITY COLLATERAL TRUSTEE, AND (II) THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL TRUSTEE HEREUNDER ARE SUBJECT IN ALL RESPECTS TO THE LIMITATIONS AND PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE

EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS SECURITY AGREEMENT WITH RESPECT TO THE PRIORITY OF, AND THE EXERCISE OF ANY RIGHT OR REMEDY WITH RESPECT TO, THE LIENS IN FAVOR OF THE COLLATERAL TRUSTEE, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

Section 7.22. [Reserved].

Section 7.23. *Mortgages*. In the case of a conflict between this Security Agreement and any Mortgages with respect to a Material Real Estate Asset that is also subject to a valid and enforceable Lien under the terms of the Mortgage (including Fixtures), the Mortgages shall govern. In all other conflicts between this Security Agreement and the Mortgages, this Security Agreement shall govern.

Section 7.24. *Successors and Assigns.* Whenever in this Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and permitted assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Trustee that are contained in this Security Agreement shall bind and inure to the benefit of their respective successors and permitted assigns. Except in a transaction expressly permitted under the Indenture, no Grantor may assign any of its rights or obligations hereunder without the written consent of the Collateral Trustee; provided that a merger, consolidation or amalgamation not prohibited by the Indenture shall not constitute an assignment by a Grantor hereunder.

Section 7.25. *Survival of Agreement.* Without limitation of any provision of the Indenture or Section 7.19 hereof, all covenants, agreements, indemnities, representations and warranties made by the Grantors in the Note Documents and in the certificates or other instruments delivered in connection with or pursuant to this Security Agreement or any other Note Document shall be considered to have been relied upon by the Holders and shall survive the execution and delivery of the Note Documents and the issuing of any Notes, regardless of any investigation made by any such Holder or on its behalf and notwithstanding that the Collateral Trustee or any Holder may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended under the Indenture, and shall continue in full force and effect until the Termination Date, or with respect to any individual Grantor until such Grantor is otherwise released from its obligations under this Security Agreement in accordance with the terms hereof.

Section 7.26. *Reinstatement*. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof (including a payment effected through exercise of a right of setoff), is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion),

all as though such payment or performance had not been made. In the event that any payment, or any part thereof (including a payment effected through exercise of a right of setoff), is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

ARTICLE 8
NOTICES

Section 8.01. *Sending Notices*. Any notice required or permitted to be given under this Security Agreement shall be delivered in accordance with Section 12.01 of the Indenture (it being understood and agreed that references in such Section to "herein", "hereunder" and other similar terms shall be deemed to be references to this Security Agreement).

Section 8.02. *Change in Address for Notices*. Each of the Grantors, the Collateral Trustee and the Holders may change notice information in accordance with Section 12.01 of the Indenture.

ARTICLE 9
THE COLLATERAL TRUSTEE

Ankura has been appointed Collateral Trustee for the Holders hereunder pursuant to Article 7 of the Indenture. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Collateral Trustee hereunder is subject to the terms of the delegation of authority made by the Holders to the Collateral Trustee pursuant to the Indenture, and that the Collateral Trustee has agreed to act (and any successor Collateral Trustee shall act) as such hereunder only on the express conditions contained in such Article 7. Without limiting the generality of the foregoing, the Collateral Trustee is executing and delivering this Security Agreement solely in its capacity as agent (including as "collateral trustee"), and not in its individual or corporate capacity, under and pursuant to directions set forth in the Indenture under which it was appointed, and in so doing the Collateral Trustee shall not be responsible for the terms or sufficiency of this Security Agreement for any purpose. In entering into this Security Agreement, and in taking (or refraining from) any actions under or pursuant to this Security Agreement, the Collateral Trustee shall be protected by and shall enjoy all of the rights, immunities, privileges, protections and indemnities granted to it under the Indenture and the other Note Documents, except the Collateral Trustee shall not be entitled to reimbursement for any expenses or indemnification against losses or liabilities as may be attributable to the Collateral Trustee's gross negligence, willful misconduct or bad faith as determined by a court of competent jurisdiction. Without limiting the generality of the foregoing, each acknowledgment, agreement, consent or waiver (in each case whether express or implied) in this Security Agreement made by the Collateral Trustee, whether on behalf of itself or any of the other Secured Parties, is made in reliance on the authority granted and direction to the Collateral Trustee by the other Secured Parties as applicable pursuant to the authorization under the Indenture and the other Note Documents. Any successor Collateral Trustee appointed pursuant to Article 7 of the Indenture shall be entitled to all the rights, interests and benefits of the Collateral Trustee hereunder.

By accepting the benefits of this Security Agreement and each other Note Document, the Secured Parties expressly acknowledge and agree that this Security Agreement and each other Note Document may be enforced only by the action of the Collateral Trustee and that no other

Secured Party shall have any right individually to seek to enforce or to enforce this Security Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Trustee for the benefit of the Secured Parties upon the terms of this Security Agreement and the other Note Documents.

[Signature Page Follows]

IN WITNESS WHEREOF, each Grantor and the Collateral Trustee have executed this Security Agreement as of the date first above written.

GRANTORS:

ANAGRAM INTERNATIONAL HOLDINGS, INC.
ANAGRAM INTERNATIONAL, INC.

By: DocuSigned by: Todd Vogensen A4C5A2AEC0E5498...
Name: Todd Vogensen
Title: Vice President & Treasurer

ANAGRAM HOLDINGS, LLC

By: DocuSigned by: Todd Vogensen A4C5A2AEC0E5498...
Name: Todd Vogensen
Title: Authorized Officer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ANKURA TRUST COMPANY, LLC,
as Collateral Trustee

By: 

Name: Lisa J. Price
Title: Managing Director

EXHIBIT A

PERFECTION CERTIFICATE

July 30, 2020

Reference is hereby made to (i) that certain Second Lien Pledge and Security Agreement, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**" and together with the Company, the "**Issuers**"), the Subsidiary Parties from time to time party thereto (the Issuers and Subsidiary Parties, collectively, the "**Grantors**"), and Ankura Trust Company, LLC ("**Ankura**"), in its capacity as collateral trustee for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**") and (ii) that certain Indenture, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Indenture**"), among the Issuers, the guarantors from time to time party thereto, and Ankura, as trustee and the Collateral Trustee. Capitalized terms used but not defined herein have the meanings assigned to such terms in the Security Agreement.

This Perfection Certificate is delivered in connection with the Security Agreement. As of the date hereof, each of the undersigned Issuers hereby certify, solely in their official capacity on behalf of each Issuer, to the Collateral Trustee as follows:

1. Names, Types, Jurisdictions of Organization. (a) Set forth in **Schedule 1(a)** is the exact legal name, type of entity and jurisdiction of organization, incorporation or formation, as applicable, of each Grantor (as each such appears in its respective organizational documents filed with the Secretary of State of such Grantor's jurisdiction of organization, incorporation or formation, as applicable).

(b) Set forth in **Schedule 1(b)** hereto is any other legal name that each Grantor has had in the past four months, together with the date of the relevant change.

(c) Set forth in **Schedule 1(c)** hereto is a list of each trade name or assumed name, if any, used by each Grantor during the past four months preceding the date hereof.

(d) Set forth in **Schedule 1(d)** hereto is a list of the information required by Section 1(a) of this certificate for any other business or organization (i) to which each Grantor became the successor by merger, consolidation or acquisition or (ii) that has been liquidated into, or transferred all or substantially all of its assets to, any Grantor, at any time within the past four months preceding the date hereof. Except as set forth in **Schedule 1(e)** hereto, no Grantor has changed its jurisdiction of organization, incorporation or formation, as applicable, or form of entity at any time during the past four months.

2. Locations. (a) Set forth in **Schedule 2(a)** hereto is the address of the chief executive office of each Grantor.

(b) Set forth in **Schedule 2(b)** hereto are all locations where each Grantor maintains any books or records relating to any Collateral.

(c) Set forth in **Schedule 2(c)** hereto are all other locations where each Grantor currently maintains any material Collateral consisting of Inventory or Equipment (other than property in possession of a third party (e.g. warehouseman or other bailee) or Collateral in transit), in each case, with a fair market value of any such Collateral at each such location exceeding $1,000,000 individually.

(d) Set forth in **Schedule 2(d)** hereto is a list of each address where a bailee, warehouseman or other third party is in possession or control of any material Inventory or Equipment of any Grantor (except for any Collateral in transit) with a fair market value of any such Collateral at each such location exceeding $1,000,000 individually.

3. Stock Ownership and Other Equity Interests. Set forth in **Schedule 3** hereto is a true and correct list of each of all of the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interests of each Grantor and its Subsidiaries constituting Pledged Stock, the beneficial owners of such stock, partnership interests, membership interests or other equity interests and the percentage of the total issued and outstanding stock, partnership interests, membership interests or other equity interests represented thereby.

4. Instruments and Tangible Chattel Paper. Set forth in **Schedule 4** hereto is a true and correct list of all Instruments (other than checks to be deposited in the ordinary course of business) and Tangible Chattel Paper, in each case having a face amount exceeding $500,000, held by each Grantor as of the date hereof, including all intercompany notes between or among any two or more Grantors including the names of the obligors, amounts owing, due dates, and other material information.

5. Intellectual Property. Set forth in **Schedule 5(a)** hereto is a list of each Grantor's United States issued Patents, Patent applications, registrations of and applications for Trademarks, in each case, filed with the United States Patent and Trademark Office, and registrations of and applications for Copyrights filed with the United States Copyright Office, including, in each case, the name of the registered owner and the registration or application number of each of the foregoing.

6. Commercial Tort Claims. Set forth in **Schedule 6** hereto is a true and correct list of all Commercial Tort Claims, with a value exceeding $600,000 (as reasonably determined by the Anagram Issuer), held by each Grantor, including a brief description thereof.

7. Blocked Accounts. Set forth in **Schedule 7** hereto is a true and complete list of all Blocked Accounts maintained by each Grantor, including the name of the Grantor maintaining such account, the name of the financial institution at which such account is maintained, the account number of such account and the approximate balance of such account as of the date hereof.

8. Letter-of-Credit Rights. Set forth in **Schedule 8** hereto is a true and correct list of all Letters-of-Credit Rights with a value exceeding $500,000 issued in favor of each Grantor, as a beneficiary thereunder.

9. Material Real Estate Assets. Set forth in **Schedule 9** hereto is a true and correct list of all Material Real Estate Assets owned by each Grantor, including the address and fair market value of such Material Real Estate Asset.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have hereunto signed this Perfection Certificate solely in his/her official capacity as of the date first above written.

ANAGRAM HOLDINGS, LLC, AS AN ISSUER

By:_____
Name:
Title:

ANAGRAM INTERNATIONAL, INC., AS AN ISSUER

By:_____
Name:
Title:

EXHIBIT B[a]

PERFECTION CERTIFICATE SUPPLEMENT

[Insert date]

Reference is hereby made to (i) that certain Second Lien Pledge and Security Agreement dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**" and together with the Company, the "**Issuers**"), the Subsidiary Parties from time to time party thereto (the Issuers and Subsidiary Parties, collectively, the "**Grantors**"), and Ankura Trust Company, LLC ("**Ankura**"), in its capacity as collateral trustee for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**"), (ii) that certain Indenture, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Indenture**"), among the Issuers, the guarantors from time to time party thereto, and Ankura, as trustee and the Collateral Trustee, and (iii) the Perfection Certificate, dated as of July 30, 2020 (as supplemented by any perfection certificate supplements delivered prior to the date hereof, collectively, the "**Prior Perfection Certificate**"), executed by the Issuers and delivered to the Collateral Trustee. Capitalized terms used but not defined herein have the meanings assigned to such terms in the Security Agreement.

This Perfection Certificate Supplement is delivered in connection with the Security Agreement and in accordance with the requirement set forth in Section 4.09(c) of the Indenture. As of the date hereof, each of the undersigned Issuers hereby certify, solely in their official capacity on behalf of each Issuer, to the Collateral Trustee as follows:

1. Names, Types Jurisdictions of Organization. (a) Except as listed on **Schedule 1(a)** hereto, Schedule 1(a) of the Prior Perfection Certificate sets forth, with respect to each Grantor, the exact legal name, type of entity and jurisdiction of organization, incorporation or formation, as applicable, of each Grantor (as each such appears in its respective organizational documents filed with the Secretary of State of such Grantor's jurisdiction of organization, incorporation or formation, as applicable).

(b) Except as listed on **Schedule 1(b)** hereto, Schedule 1(b) of the Prior Perfection Certificate sets forth any other legal name that each Grantor has had in the past four months, together with the date of the relevant change.

[a] This Perfection Certificate Supplement is only required to be delivered in the event there has been any change in the information contained in the previously delivered Perfection Certificate and in that instance, only to the extent of such incremental information. If there are no changes to such prior certificate, the Issuers are only required to deliver a confirmation that there have been no changes to the previously delivered Perfection Certificate.

(c) Except as listed on **Schedule 1(c)** hereto, Schedule 1(c) of the Prior Perfection Certificate sets forth a list of each trade name or assumed name, if any, used by each Grantor during the past four months preceding the date hereof.

(d) Except as listed on **Schedule 1(d)** hereto, Schedule 1(d) of the Prior Perfection Certificate sets forth a list of the information required by Section 1(a) of this certificate for any other business or organization (i) to which each Grantor became the successor by merger, consolidation or acquisition or (ii) that has been liquidated into, or transferred all or substantially all of its assets to, any Grantor, at any time within the past four months preceding the date hereof. Except as listed on **Schedule 1(e)** hereto or as set forth on Schedule 1(e) of the Prior Perfection Certificate, no Grantor has changed its jurisdiction of organization, incorporation or formation, as applicable, or form of entity at any time during the past four months.

2. Locations. (a) Except as listed on **Schedule 2(a)** hereto, Schedule 2(a) of the Prior Perfection Certificate sets forth the address of the chief executive office of each Grantor.

(b) Except as listed on **Schedule 2(b)** hereto, Schedule 2(b) of the Prior Perfection Certificate sets forth all locations where each Grantor maintains any books or records relating to any Collateral.

(c) Except as listed on **Schedule 2(c)** hereto, Schedule 2(c) of the Prior Perfection Certificate sets forth all other locations where each Grantor currently maintains any material Collateral consisting of Inventory or Equipment (other than property in possession of a third party (e.g. warehouseman or other bailee) or Collateral in transit), in each case, with a fair market value of any such Collateral at each such location exceeding $1,000,000 individually.

(d) Except as listed on **Schedule 2(d)** hereto, Schedule 2(d) of the Prior Perfection Certificate sets forth a list of each address where a bailee, warehouseman or other third party is in possession or control of any material Inventory or Equipment of any Grantor (except for any Collateral in transit) with a fair market value of any such Collateral at each such location exceeding $1,000,000 individually.

3. Stock Ownership and Other Equity Interests. Except as listed on **Schedule 3** hereto, Schedule 3 of the Prior Perfection Certificate sets forth a true and correct list of each of all of the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interests of each Grantor and its Subsidiaries constituting Pledged Stock, the beneficial owners of such stock, partnership interests, membership interests or other equity interests and the percentage of the total issued and outstanding stock, partnership interests, membership interests or other equity interests represented thereby.

4. Instruments and Tangible Chattel Paper. Except as listed on **Schedule 4** hereto, Schedule 4 of the Prior Perfection Certificate sets forth a true and correct list of all Instruments (other than checks to be deposited in the ordinary course of business) and Tangible Chattel Paper, in each case having a face amount exceeding $500,000, held by each Grantor as of the date hereof, including all intercompany notes between or among any two or more Grantors including the names of the obligors, amounts owing, due dates, and other material information.

5. Intellectual Property. Except as listed on **Schedule 5(a)** hereto, Schedule 5(a) of the Prior Perfection Certificate sets forth all of each Grantor's United States issued Patents, Patent applications, registrations of and applications for Trademarks, in each case, filed with the United States Patent and Trademark Office, and registrations of and applications for Copyrights filed with the United States Copyright Office, including, in each case, the name of the registered owner and the registration or application number of each of the foregoing.

6. Commercial Tort Claims. Except as listed on **Schedule 6** hereto, Schedule 6 of the Prior Perfection Certificate sets forth a true and correct list of all Commercial Tort Claims, with a value exceeding $600,000 (as reasonably determined by the Anagram Issuer), held by each Grantor, including a brief description thereof.

7. Blocked Accounts. Except as listed on **Schedule 7** hereto, Schedule 7 of the Prior Perfection Certificate sets forth a true and complete list of all Blocked Accounts maintained by each Grantor, including the name of the Grantor maintaining such account, the name of the financial institution at which such account is maintained, the account number of such account and the approximate balance of such account as of the date hereof.

8. Letter-of-Credit Rights. Except as listed on **Schedule 8** hereto, Schedule 8 of the Prior Perfection Certificate sets forth a true and correct list of all Letters-of-Credit Rights with a value exceeding $500,000 issued in favor of each Grantor, as a beneficiary thereunder.

9. Material Real Estate Assets. Except as listed on **Schedule 9** hereto, Schedule 9 of the Prior Perfection Certificate sets forth a true and correct list of all Material Real Estate Assets owned by each Grantor, including the address and fair market value of such Material Real Estate Asset.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have hereunto signed this Perfection Certificate solely in his/her official capacity as of the date first above written.

ANAGRAM HOLDINGS, LLC, AS AN ISSUER

By:_____
Name:
Title:

ANAGRAM INTERNATIONAL, INC., AS AN ISSUER

By:_____
Name:
Title:

EXHIBIT C

SUBSIDIARY PARTIES

Ref	Entity	Jurisdiction	Type
1.	Anagram International Holdings, Inc.	MN	Corporation

EXHIBIT D-1

Form of

PATENT SECURITY AGREEMENT

[See attached.]

Execution Version

GRANT OF SECURITY INTEREST
IN UNITED STATES PATENTS

This GRANT OF SECURITY INTEREST IN UNITED STATES PATENTS (this "Agreement"), dated as of July 30, 2020, is entered into by **ANAGRAM INTERNATIONAL, INC.**, a Minnesota corporation with principal offices at 7700 Anagram Drive, Eden Prairie, MN 55344 (the "Grantor") and **ANKURA TRUST COMPANY, LLC**, a New Hampshire chartered non-depository trust company, with offices at 140 Sherman Street, Fairfield, CT 06824 (the "Grantee"), as collateral trustee for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns, the "Collateral Trustee").

WHEREAS, the Grantee desires to acquire a security interest in the United States patents and United States patent applications set forth in Schedule A attached hereto (collectively, the "Patents"); and

WHEREAS, the Grantor is willing to grant to the Grantee a security interest in the Patents.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Second Lien Pledge and Security Agreement, dated as of July 30, 2020, by and among the Grantor, the Subsidiary Parties from time to time party thereto and the Grantee (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"), the Grantor and the Grantee agree as follows:

i. Defined Terms

Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

ii. Grant of Security Interest

a. As collateral security for the prompt and complete payment or performance when due (whether at stated maturity, acceleration or otherwise), as the case may be, in full of the Secured Obligations, the Grantor hereby pledges, collaterally assigns, mortgages, transfers and grants to the Grantee on behalf of and for the benefit of the Secured Parties, a continuing security interest in all of the Grantor's right, title and interest in, to and under (i) the Patents; (ii) all inventions and improvements described and claimed therein; (iii) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (iv) all rights to sue for past, present, and future infringements thereof; (v) all rights corresponding to any of the foregoing; and (vi) all Proceeds and products of the foregoing.

b. This Agreement has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights, protections, powers,

immunities, indemnities and remedies of the Grantee with respect to the security interest granted herein shall be as afforded to it as Collateral Trustee under the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

iii. Termination of Security Interest

Upon the occurrence of the Termination Date, the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patents acquired under this Agreement.

iv. Authorization; Constitution

To the extent applicable, the parties hereto authorize and request that the Commissioner of Patents and Trademarks of the United States record this security interest in the Patents.

v. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

vi. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Grantee, the Grantor and their respective successors and assigns. The Grantor shall not, without the prior written consent of the Collateral Trustee given in accordance with the Security Agreement, assign any right, duty or obligation hereunder.

vii. Intercreditor Agreement Acknowledgment

Notwithstanding anything herein to the contrary, (i) the priority of Liens and the security interests granted in favor of the Grantee for the benefit of the Secured Parties pursuant to this Agreement are expressly subject and subordinate to the Liens and the security interests granted in favor of the First Priority Secured Parties (as defined in the Intercreditor Agreement), including Liens and security interests granted in favor of the First Priority Collateral Trustee (as defined in the Intercreditor Agreement), and (ii) the exercise of any right or remedy by the Grantee hereunder are subject in all respects to the limitations and provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to the priority of, and the exercise of any right or remedy with respect to, the Liens in favor of the Grantee, the terms of the Intercreditor Agreement shall govern and control.

viii. Counterparts

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by email as a ".pdf" or ".tif" attachment or other customary means of electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GRANTOR:

ANAGRAM INTERNATIONAL, INC.

By:_____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

ANKURA TRUST COMPANY, LLC,
as Collateral Trustee and Grantee

By_____
Name:
Title:

SCHEDULE A

Patents

Title	Patent No.	Issue date	App. No.	App. Date	Owner
STRETCHABLE AND FORMABLE LIGHTER THAN AIR BALLOONS MADE FROM A BIAXIALLY ORIENTED POLYESTER FILM	9,186,593	2015-11-17	13729805	2012-12-28	Anagram International, Inc. (and Toray Plastics (America), Inc.)
BALLOON FILL GAUGE	8662004	2014-03- 04	13010472	2011-01-20	Anagram International, Inc.
LIGHTER THAN AIR BALLOON MADE FROM A BIAXIALLY ORIENTED POLYESTER FILM	8323759	12/4/2012	13196554	2011-08-02	Anagram International, Inc. (and Toray Plastics (America), Inc.)
LIGHTER THAN AIR BALLOON MADE FROM A BIAXIALLY ORIENTED POLYESTER FILM	8236399	8/7/2012	13196495	2011-08-02	Anagram International, Inc. and Toray Plastics (America), Inc.
SELF-MATING ADHESIVES FOR AEROSTATS	N/A	N/A	13106458	2011-05-12	Anagram International, Inc.
LOCALIZED SEALANT APPLICATION IN AEROSTATS	N/A	N/A	12781380	2010-05-17	Anagram International, Inc.
LIGHTER THAN AIR BALLOON MADE FROM A BIAXIALLY ORIENTED POLYESTER FILM	8399080	3/19/2013	12202655	2008-09-02	Anagram International, Inc. and Toray Plastics (America), Inc.
Formable polyester balloon	n/a	n/a	15/336,178	10-27-2016	Anagram International, Inc. and Toray Plastics (America), Inc.
MAGNETIC SPEAKER SOUND MODULE AND BALLOON WITH WEIGHTED SIDE	7963820	6/21/2011	11586998	2006-10-26	Anagram International, Inc.
ORNAMENTAL SOUND MODULE FOR A BALLOON	7658661	2/9/2010	11472580	2006-06-22	Anagram International, Inc.
NOVELTY NOISEMAKER INCORPORATING	D530756	2006-10-24	29238296	2005-09-13	Anagram International, Inc.

Title	Patent No.	Issue date	App. No.	App. Date	Owner
INFLATED STICK AND FLAG					
NOVELTY NOISEMAKER INCORPORATING INFLATED STICK AND PENNANT	D529557	2006-10-03	29238253	2005-09-13	Anagram International, Inc.
NOVELTY NOISEMAKER INCORPORATING INFLATED STICK WITH STIFFENED FLAG	D525319	2006-07-18	29238252	2005-09-13	Anagram International, Inc.
NOVELTY NOISEMAKER INCORPORATING INFLATED STICKS AND BANNER	D524874	2006-07-11	29238288	2005-09-13	Anagram International, Inc.
Balloon Weight	6076758	06-20-2000	09/181,309	10-28-1998	Anagram International Inc
Low conductivity balloons and methods of producing same	7,972,193	07-05-2011	12/317,595	12-22-2008	Anagram International Inc
MANUFACTURE OF VALVES FOR INFLATABLE ARTICLES	5733406	1998-03-31	8537592	1995-10-02	M&D Industries, Inc.

EXHIBIT D-2

Form of

TRADEMARK SECURITY AGREEMENT

[See attached.]

Execution Version

GRANT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS

This GRANT OF SECURITY INTEREST IN UNITED STATES TRADEMARKS (this "Agreement"), dated as of July 30, 2020, is entered into by **ANAGRAM INTERNATIONAL, INC.**, a Minnesota corporation with principal offices at 7700 Anagram Drive, Eden Prairie, MN 55344 (the "Grantor") and **ANKURA TRUST COMPANY, LLC**, a New Hampshire chartered non-depository trust company, with offices at 140 Sherman Street, Fairfield, CT 06824 (the "Grantee"), as collateral trustee for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns, the "Collateral Trustee").

WHEREAS, the Grantee desires to acquire a security interest in the United States trademarks and United States trademark applications set forth in Schedule A attached hereto (collectively, the "Trademarks"); and

WHEREAS, the Grantor is willing to grant to the Grantee a security interest in the Trademarks.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Second Lien Pledge and Security Agreement, dated as of July 30, 2020, by and among the Grantor, the Subsidiary Parties from time to time party thereto and the Grantee (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"), the Grantor and the Grantee agree as follows:

i. Defined Terms

Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

ii. Grant of Security Interest

a. As collateral security for the prompt and complete payment or performance when due (whether at stated maturity, acceleration or otherwise), as the case may be, in full of the Secured Obligations, the Grantor hereby pledges, collaterally assigns, mortgages, transfers and grants to the Grantee on behalf of and for the benefit of the Secured Parties, a continuing security interest in all of the Grantor's right, title and interest in, to and under (i) the Trademarks and the goodwill of the business symbolized by the Trademarks; (ii) all renewals of the foregoing; (iii) all income, royalties, damages, and payments now or hereafter due or payable with respect to the foregoing, including, without limitation, damages, claims, and payments for past and future infringements of the foregoing; and (iv) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; (v) all rights corresponding to any of the foregoing; and (vi) all Proceeds and products of the foregoing;. Notwithstanding the foregoing, the Trademarks shall not include any intent-to-use (or similar) trademark applications prior to the filing of a "Statement of Use" or "Amendment

to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein may impair the validity or enforceability of such intent-to-use trademark applications (or any resulting registration) under applicable law.

b. This Agreement has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights, protections, powers, immunities, indemnities and remedies of the Grantee with respect to the security interest granted herein shall be as afforded to it as Collateral Trustee under the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

iii. Termination of Security Interest

Upon the occurrence of the Termination Date, the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Trademarks acquired under this Agreement.

iv. Authorization; Constitution

To the extent applicable, the parties hereto authorize and request that the Commissioner of Patents and Trademarks of the United States record this security interest in the Trademarks.

v. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

vi. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Grantee the Grantor and their respective successors and assigns. The Grantor shall not, without the prior written consent of the Collateral Trustee given in accordance with the Security Agreement, assign any right, duty or obligation hereunder.

vii. Intercreditor Agreement Acknowledgment

Notwithstanding anything herein to the contrary, (i) the priority of Liens and the security interests granted in favor of the Grantee for the benefit of the Secured Parties pursuant to this Agreement are expressly subject and subordinate to the Liens and the security interests granted in favor of the First Priority Secured Parties (as defined in the Intercreditor Agreement), including Liens and security interests granted in favor of the First Priority Collateral Trustee (as defined in the Intercreditor Agreement), and (ii) the exercise of any right or remedy by the Grantee hereunder are subject in all respects to the limitations and provisions of the Intercreditor Agreement. In the

event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to the priority of, and the exercise of any right or remedy with respect to, the Liens in favor of the Grantee, the terms of the Intercreditor Agreement shall govern and control.

viii. Counterparts

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by email as a ".pdf" or ".tif" attachment or other customary means of electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GRANTOR:

ANAGRAM INTERNATIONAL, INC.

By:_____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

ANKURA TRUST COMPANY, LLC,
as Collateral Trustee and Grantee

By_____
Name:
Title:

SCHEDULE A

Trademarks

Trademark	App. No.	App. Date	Reg. No.	Reg. Date	Owner Name
AIRBILDR	**App** 86028559	**App** 05-AUG-2013	**Reg** 4459321	**Reg** 31-DEC-2013	Anagram International, Inc.
AIRBILDR	**App** 85948860	**App** 03-JUN-2013	**Reg** 4516356	**Reg** 15-APR-2014	Anagram International, Inc.
VALUELINE BALLOONS PLUS	**App** 85938620	**App** 21-MAY-2013	**Reg** 4509550	**Reg** 08-APR-2014	Anagram International, Inc.
VALUELINE BALLOONS PLUS	**App** 85938638	**App** 21-MAY-2013	**Reg** 4509551	**Reg** 08-APR-2014	Anagram International, Inc.
HELIUM SAVERS	**App** 85744847	**App** 03-OCT-2012	**Reg** 4322435	**Reg** 16-APR-2013	Anagram International, Inc.
XL XTRALIFE	**App** 77072549	**App** 28-DEC-2006	**Reg** 3322673	**Reg** 30-OCT-2007	Anagram International, Inc.
SING-A-TUNE BALLOONS	**App** 76977684	**App** 09-AUG-2002	**Reg** 3002460	**Reg** 27-SEP-2005	Anagram International, Inc.
SING-A-TUNE	**App** 75707523	**App** 17-MAY-1999	**Reg** 2598449	**Reg** 23-JUL-2002	Anagram International, Inc.
Design Only	**App** 75087368	**App** 12-APR-1996	**Reg** 2052521	**Reg** 15-APR-1997	Anagram International, Inc.
ANAGRAM	**App** 75087374	**App** 12-APR-1996	**Reg** 2052522	**Reg** 15-APR-1997	Anagram International, Inc.
ANAGRAM	**App** 74457658	**App** 12-NOV-1993	**Reg** 1905750	**Reg** 18-JUL-1995	Anagram International, Inc.
AIRWALKERS	**App** 73746711	**App** 17-AUG-1988	**Reg** 1533437	**Reg** 04-APR-1989	Anagram International, Inc.
Design	75087368	4/12/1996	2052521	4/15/1997	Anagram International, Inc.
A ANAGRAM	87437138	5/4/2017	5345931	11/28/2017	Anagram International, Inc.
ORBZ	88082621	8/17/2018	5749340	5/14/2019	Anagram International, Inc.
ANGLEZ	88352229	3/22/2019	5872958	10/1/2019	Anagram International, Inc.
EZ-FILL	88352489	3/22/2019	5872972	10/1/2019	Anagram International, Inc.
COLOR BLAST	88352679	3/22/2019	5872984	10/1/2019	Anagram International, Inc.
ULTRASHAPE	88354550	3/25/2019	5873198	10/1/2019	Anagram International, Inc.
INTRICATES	88354584	3/25/2019	5873201	10/1/2019	Anagram International, Inc.
INSIDERS	88354591	3/25/2019	5873202	10/1/2019	Anagram International, Inc.
SATIN LUXE	88352648	3/22/2019	5883471	10/15/2019	Anagram International, Inc.
TWIRLZ	88354573	3/25/2019	5942130	12/24/2019	Anagram International, Inc.
SEETHRU	88356578	3/26/2019	5948031	12/31/2019	Anagram International, Inc.

Trademark	App. No.	App. Date	Reg. No.	Reg. Date	Owner Name
CUBEZ	88352584	3/22/2019	5971018	1/28/2020	Anagram International, Inc.
DIAMONDZ	88352664	3/22/2019	5971020	1/28/2020	Anagram International, Inc.

EXHIBIT D-3

Form of

COPYRIGHT SECURITY AGREEMENT

[See attached.]

Execution Version

GRANT OF SECURITY INTEREST
IN UNITED STATES COPYRIGHTS

This GRANT OF SECURITY INTEREST IN UNITED STATES COPYRIGHTS (this "Agreement"), dated as of July 30, 2020, is entered into by **ANAGRAM INTERNATIONAL, INC.**, a Minnesota corporation with principal offices at 7700 Anagram Drive, Eden Prairie, MN 55344 (the "Grantor") and **ANKURA TRUST COMPANY, LLC**, a New Hampshire chartered non-depository trust company, with offices at 140 Sherman Street, Fairfield, CT 06824 (the "Grantee"), as collateral trustee for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns, the "Collateral Trustee").

WHEREAS, the Grantee desires to acquire a security interest in the United States copyright registrations and United States applications for copyright registration set forth in Schedule A attached hereto (collectively, the "Copyrights"); and

WHEREAS, the Grantor is willing to grant to the Grantee a security interest in the Copyrights.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Second Lien Pledge and Security Agreement, dated as of July 30, 2020, by and among the Grantor, the Subsidiary Parties from time to time party thereto and the Grantee (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"), the Grantor and the Grantee agree as follows:

i. Defined Terms

Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

ii. Grant of Security Interest

a. As collateral security for the prompt and complete payment or performance when due (whether at stated maturity, acceleration or otherwise), as the case may be, in full of the Secured Obligations, the Grantor hereby pledges, collaterally assigns, mortgages, transfers and grants to the Grantee on behalf of and for the benefit of the Secured Parties, a continuing security interest in all of the Grantor's right, title and interest in, to and under (i) the Copyrights; (ii) all renewals of the foregoing; (iii) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; and (iv) the right to sue for past, present, and future infringements of any of the foregoing; (v) all rights corresponding to any of the foregoing; and (vi) all Proceeds and products of the foregoing.

b. This Agreement has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights, protections, powers, immunities, indemnities and remedies of the Grantee with respect to the security interest granted herein shall be as afforded to it as Collateral Trustee under the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

iii. Termination of Security Interest

Upon the occurrence of the Termination Date, the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Copyrights acquired under this Agreement.

iv. Authorization; Constitution

To the extent applicable, the parties hereto authorize and request that the Register of Copyrights of the United States record this security interest in the Copyrights.

v. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

vi. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Grantee, the Grantor and their respective successors and assigns. The Grantor shall not, without the prior written consent of the Collateral Trustee given in accordance with the Security Agreement, assign any right, duty or obligation hereunder.

vii. Intercreditor Agreement Acknowledgment

Notwithstanding anything herein to the contrary, (i) the priority of Liens and the security interests granted in favor of the Grantee for the benefit of the Secured Parties pursuant to this Agreement are expressly subject and subordinate to the Liens and the security interests granted in favor of the First Priority Secured Parties (as defined in the Intercreditor Agreement), including Liens and security interests granted in favor of the First Priority Collateral Trustee (as defined in the Intercreditor Agreement), and (ii) the exercise of any right or remedy by the Grantee hereunder are subject in all respects to the limitations and provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to the priority of, and the exercise of any right or remedy with respect to, the Liens in favor of the Grantee, the terms of the Intercreditor Agreement shall govern and control.

viii. Counterparts

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by email as a ".pdf" or ".tif" attachment or other customary means of electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GRANTOR:

ANAGRAM INTERNATIONAL, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

ANKURA TRUST COMPANY, LLC,
as Collateral Trustee and Grantee

By_____
Name:
Title:

SCHEDULE A

Title	Registration Number	Registration Date	Owner
[Happy ladybug : no. 04746]	VA0001206718	4/24/2003	Anagram International, Inc.
Another birthday blows you mind.	SRu000593339	2/3/2005	Anagram International, Inc.
Baby bottle-boy: no 02717 .	VA0001206716	4/24/2003	Anagram International, Inc.
Baby bottle-girl: no 02718.	VA0001206715	4/24/2003	Anagram International, Inc.
Baby I need your loving.	VAu000592904	7/11/2003	Anagram International, Inc.
Be my valentine.	SRu000517606	7/11/2003	Anagram International, Inc.
Blows your mind! Another birthday.	VAu000594404	7/11/2003	Anagram International, Inc.
Celebrate!	VAu000587380	7/28/2003	Anagram International, Inc.
Chatterbox star: no 09054.	VA0001206710	4/24/2003	Anagram International, Inc.
Congrats.	VAu000598545	7/28/2003	Anagram International, Inc.
Country birthday (don't let it throw you)	SRu000519861	7/28/2003	Anagram International, Inc.
Donny the Dolphin.	VA0000224422	5/6/1986	Anagram International, Inc.
Don't worry, be happy.	VAu000598546	7/28/2003	Anagram International, Inc.
The fat lady sings happy birthday.	SRu000524543	7/28/2003	Anagram International, Inc.
First wish bear.	VA0001206714	4/24/2003	Anagram International, Inc.
Flower walker : [no. 07709]	VA0001206719	4/24/2003	Anagram International, Inc.
Friends forever.	VAu000592906	7/11/2003	Anagram International, Inc.
Get well soon!	VAu000587375	7/28/2003	Anagram International, Inc.
Happy anniversary.	VAu000592905	7/11/2003	Anagram International, Inc.
Happy bee: no 04745.	VA0001206711	4/24/2003	Anagram International, Inc.
Happy birthday -- the flames.	SRu000518054	7/7/2003	Anagram International, Inc.
Happy birthday clown and children.	VAu000596246	7/25/2003	Anagram International, Inc.
Happy Birthday The Flames.	VAu000587370	7/28/2003	Anagram International, Inc.
Happy Mother's day today.	SRu000567273	2/7/2005	Anagram International, Inc.
Happy Mother's Day.	VAu000657778	2/7/2005	Anagram International, Inc.

Title	Registration Number	Registration Date	Owner
Happy Valentine's Day	VAu000587377	7/28/2003	Anagram International, Inc.
I love you Cupids.	VAu000636510	7/26/2004	Anagram International, Inc.
I'm berry sorry.	VAu000593941	7/11/2003	Anagram International, Inc.
It aint over 'til the fat lady sings happy birthday.	VAu000592665	6/25/2003	Anagram International, Inc.
It's a boy!	VA0001206720	4/24/2003	Anagram International, Inc.
It's a boy.	VAu000592934	7/25/2003	Anagram International, Inc.
It's a boy-baby bear.	VAu000660801	2/7/2005	Anagram International, Inc.
It's a gir!	VA0001206717	4/24/2003	Anagram International, Inc.
It's a girl, baby bear.	VAu000658378	2/7/2005	Anagram International, Inc.
It's a girl.	VAu000595764	7/17/2003	Anagram International, Inc.
Jewel blue dolphin: no 05819.	VA0001206709	4/24/2003	Anagram International, Inc.
Kiss ladybug: no 05929.	VA0001206713	4/24/2003	Anagram International, Inc.
Let me call you sweetheart.	VAu000587378	7/28/2003	Anagram International, Inc.
Miami salsa birthday.	SRu000536039	7/7/2003	Anagram International, Inc.
Missing you.	VAu000598592	7/15/2003	Anagram International, Inc.
My girl.	VAu000587371	7/28/2003	Anagram International, Inc.
My guy.	VAu000587372	7/28/2003	Anagram International, Inc.
Ocean blue dolphin: no 05813.	VA0001206712	4/24/2003	Anagram International, Inc.
Power of love.	VAu000587381	7/28/2003	Anagram International, Inc.
Rapper's birthday.	VAu000595602	6/25/2003	Anagram International, Inc.
Rockin' birthday.	SRu000512824	6/26/2003	Anagram International, Inc.
Rockin' birthday.	VAu000657779	2/7/2005	Anagram International, Inc.
Rose shaped helium ballon.	VA0000595935	12/7/1993	Anagram International, Inc.
Roses are red my love.	VAu000587373	7/28/2003	Anagram International, Inc.
Singing balloons birthday.	VAu000592235	7/25/2003	Anagram International, Inc.
Swingin' birthday.	SRu000537988	7/11/2003	Anagram International, Inc.
Up beat birthday.	SRu000537987	7/11/2003	Anagram

Title	Registration Number	Registration Date	Owner
			International, Inc.
Wild thing.	VAu000587374	7/28/2003	Anagram International, Inc.
You are a special friend.	VA0000709806	4/10/1995	Anagram International, Inc.
You're how old?	VAu000587376	7/28/2003	Anagram International, Inc.
You're still the one.	VAu000754835	8/19/2005	Anagram International, Inc.
You're the one that I want.	VAu000587379	7/28/2003	Anagram International, Inc.
You're the one!	VAu000636511	7/26/2004	Anagram International, Inc.
Feliz cumpleanos.	VAu000592903	7/11/2003	Anagram International, Inc.
[The Flag]	VA0000282750	9/14/1987	M&D Industries, Inc.
And holding!	VA0000282762	9/14/1987	M&D Industries, Inc.
Best wishes.	VA0000268879	6/12/1987	M&D Industries, Inc.
Boo / Richard E. Cook.	VA0000268880	6/12/1987	M&D Industries, Inc.
Congratulations.	VA0000282755	9/14/1987	M&D Industries, Inc.
Feliz cumpleanos.	VA0000268883	6/12/1987	M&D Industries, Inc.
Flower design.	VA0000117498	12/29/1982	M&D Industries, Inc.
For baby's Christening.	VA0000285028	6/12/1987	M&D Industries, Inc.
Get well.	VA0000282757	9/14/1987	M&D Industries, Inc.
Good luck.	VA0000268877	6/12/1987	M&D Industries, Inc.
Happy birthday : no 85643.	VA0001258043	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85678.	VA0001258045	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85679.	VA0001258041	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85682.	VA0001258040	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85684.	VA0001258037	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85685.	VA0001258038	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85686.	VA0001258039	4/21/2003	M&D Industries, Inc.
Happy birthday : no 85687.	VA0001258042	4/21/2003	M&D Industries, Inc.
Happy birthday balloon.	VA0000117499	12/29/1982	M&D Industries, Inc.

Title	Registration Number	Registration Date	Owner
Happy birthday.	VA0000268878	6/12/1987	M&D Industries, Inc.
Happy birthday.	VA0000282754	9/14/1987	M&D Industries, Inc.
Happy Easter / R.E. Cook.	VA0000268882	6/12/1987	M&D Industries, Inc.
Happy Halloween.	VA0000268876	6/12/1987	M&D Industries, Inc.
Happy sweetest day.	VA0000282758	9/14/1987	M&D Industries, Inc.
Have a groovy birthday : no 85644.	VA0001258044	4/21/2003	M&D Industries, Inc.
Hot air balloon.	VA0000268874	6/12/1987	M&D Industries, Inc.
Hugs ‘n’ kisses.	VA0000282759	9/14/1987	M&D Industries, Inc.
I love you.	VA0000268873	6/12/1987	M&D Industries, Inc.
I wanna hold your hand / Richard E. Cook.	VA0000268885	6/12/1987	M&D Industries, Inc.
Main man.	VA0000268884	6/12/1987	M&D Industries, Inc.
Merry Christmas.	VA0000282751	9/14/1987	M&D Industries, Inc.
Miss you.	VA0000282753	9/14/1987	M&D Industries, Inc.
Rainbow ribbon heart.	VA0000117497	12/29/1982	M&D Industries, Inc.
Secretaries are wonderful / Richard E. Cook.	VA0000268881	6/12/1987	M&D Industries, Inc.
Small dolphin.	VA0000117496	12/29/1982	M&D Industries, Inc.
Sorry!	VA0000282760	9/14/1987	M&D Industries, Inc.
Thank you!	VA0000282756	9/14/1987	M&D Industries, Inc.
Thinking of you / Richard E. Cook.	VA0000268886	6/12/1987	M&D Industries, Inc.
To a great boss.	VA0000282761	9/14/1987	M&D Industries, Inc.
Two sided pumpkin.	VA0000268875	6/12/1987	M&D Industries, Inc.
Unicorn.	VA0000121490	12/29/1982	M&D Industries, Inc.
Welcome home.	VA0000282752	9/14/1987	M&D Industries, Inc.
Design 11080	VA0001846382	1/22/2013	Anagram International, Inc.
Design 16534	VA0001846387	1/22/2013	Anagram International, Inc.
Design 00171	VA0001846389	1/23/2013	Anagram International, Inc.
Design 11287	VA0001846392	1/22/2013	Anagram

Title	Registration Number	Registration Date	Owner
			International, Inc.
Design 20257	VA0001846384	1/22/2013	Anagram International, Inc.
Design 20053	VA0001846385	1/22/2013	Anagram International, Inc.
Design 08038	VA0001846383	1/22/2013	Anagram International, Inc.
Design 09856	VA0001846394	1/22/2013	Anagram International, Inc.
Helium Balloon Design Collection	VA0001854050	1/22/2013	Anagram International, Inc.
Ocean Blue Dolphin	VA0001845367	1/23/2013	Anagram International, Inc.
Tropical Fish	VA0001845366	1/22/2013	Anagram International, Inc.
42110 - Tiger Print Pattern.	VA0002197452	February 11, 2020	Anagram International, Inc
42109 - Leopard Print Pattern.	VA0002197447	February 11, 2020	Anagram International, Inc
42107 - Zebra Print Patterns.	VA0002197444	February 11, 2020	Anagram International, Inc
119596 - Giraffe Pattern.	VA0002197440	February 11, 2020	Anagram International, Inc
41577 - Baby Unicorn.	VA0002194176	January 09, 2020	Anagram International, Inc
41646 - Pastel Tie Die Butterfly.	VA0002194172	January 09, 2020	Anagram International, Inc
41693 - Bee Well Soon Std.	VA0002194167	January 09, 2020	Anagram International, Inc
41659 - Natural Baby.	VA0002194163	January 09, 2020	Anagram International, Inc
41671-Pastel Rainbow Baby.	VA0002194145	January 09, 2020	Anagram International, Inc
41574 - Cool Kitty.	VA0002194135	January 09, 2020	Anagram International, Inc
41562 - Otterly Adorable Std Shape.	VA0002193405	January 09, 2020	Anagram International, Inc
41550 - Flamingo Baby.	VA0002192675	January 08, 2020	Anagram International, Inc
41800 - Happy Little Monster Bday.	VA0002192633	January 08, 2020	Anagram International, Inc
41779 - Calico Cat Bday.	VA0002192366	January 08, 2020	Anagram International, Inc
41217 - Satin Sitting Unicorn.	VA0002195203	January 15, 2020	Anagram International, Inc
39379 - Iridescent Unicorn.	VA0002195205	January 15, 2020	Anagram International, Inc
40485 - Pretty in Pink Unicorn.	VA0002195207	January 15, 2020	Anagram International, Inc
42111 - Snake Skin Print.	VA0002197424	February 11, 2020	Anagram International, Inc
42082-42087 - Marblez Circle Pattern.	VA0002198723	February 12, 2020	Anagram International, Inc

Title	Registration Number	Registration Date	Owner
42098 - Marblez Star Pattern.	VA0002197760	February 11, 2020	Anagram International, Inc
41392-41397 - Marblez Orbz Pattern.	VA0002197932	February 12, 2020	Anagram International, Inc
40834 - Mama & Baby Unicorn.	VA0002194880	January 15, 2020	Anagram International, Inc
40262 - Iridescent HNY Banner.	VA0002176633	March 14, 2019	Anagram International, Inc
39975 - Iridescent Ombre Pumpkin.	VA0002176631	March 14, 2019	Anagram International, Inc
39984 - Happy Grim Reaper.	VA0002176629	March 14, 2019	Anagram International, Inc
39986 Iridescent Ghost.	VA0002176628	March 14, 2019	Anagram International, Inc
40002 - Fancy Turkey.	VA0002160054	March 14, 2019	Anagram International, Inc
39983 - Open Coffin.	VA0002160051	March 14, 2019	Anagram International, Inc
40113 - Satin Infused Top Hat.	VA0002159186	March 14, 2019	Anagram International, Inc
40094 - Snow Family.	VA0002159185	March 14, 2019	Anagram International, Inc
38302 - Santa in Chimney.	VA0002159184	March 14, 2019	Anagram International, Inc
40093 - Iridescent Ornaments.	VA0002158489	March 14, 2019	Anagram International, Inc
40089 - Merry Christmas Ruffle.	VA0002158481	March 14, 2019	Anagram International, Inc
40095 - Christmas Cactus.	VA0002158479	March 14, 2019	Anagram International, Inc
40108 - Jovial Santa.	VA0002158472	March 14, 2019	Anagram International, Inc
39987 - Iridescent Cat & Pumpkin.	VA0002158436	March 14, 2019	Anagram International, Inc
40092 - Iridescent Christmas Tree.	VA0002158379	March 14, 2019	Anagram International, Inc
36346 - Christmas Characters Stacker.	VA0002158377	March 14, 2019	Anagram International, Inc
39974 - Thanksgiving Cornucopia.	VA0002158373	March 14, 2019	Anagram International, Inc
40054 - Iridescent Leaves.	VA0002158367	March 14, 2019	Anagram International, Inc
39996 - Day of the Dead Skeleton.	VA0002158357	March 14, 2019	Anagram International, Inc
39988 - Skelly Kitty.	VA0002158348	March 14, 2019	Anagram International, Inc
39985 - Satin Infused Spider.	VA0002157952	March 14, 2019	Anagram International, Inc
40065 - Halloween Boo.	VA0002157817	March 14, 2019	Anagram International, Inc
39987 - Iridescent Cat & Pumpkin.	VA0002157292	March 14, 2019	Anagram International, Inc

Title	Registration Number	Registration Date	Owner
39683 - Tropical Jungle.	VA0002158610	April 23, 2019	Anagram International, Inc
38554 - Sealife Happy Birthday.	VA0002197607	February 14, 2020	Anagram International, Inc
38469 - Disco Ball (Rainbow)	VA0002198751	February 12, 2020	Anagram International, Inc
38472 - Colorful Mermaid.	VA0002137198	July 18, 2018	Anagram International, Inc
38762 - Standing Magical Love Unicorn.	VA0002136938	July 17, 2018	Anagram International, Inc
38306 - Christmas Unicorn.	VA0002141520	August 03, 2018	Anagram International, Inc
37800 - Mermaid Wishes Seahorse.	VA0002141537	August 03, 2018	Anagram International, Inc
37807 - Selfie Celebration Llama.	VA0002158608	April 23, 2019	Anagram International, Inc
37802 - Selfie Celebration Icons.	VA0002157409	April 23, 2019	Anagram International, Inc
37727 Magic Unicorn Airwalker.	VA0002182674	October 18, 2019	Anagram International, Inc
36852 - Magical Unicorn Std.	VA0002194864	January 14, 2020	Anagram International, Inc
36426 Unicorn Love.	VA0002141436	August 02, 2018	Anagram International, Inc
36426 - Unicorn Love.	VA0002136937	July 17, 2018	Anagram International, Inc
37273 - Magical Unicorn.	VA0002085924	February 01, 2018	Anagram International, Inc
34374 - HVD Gold & Silver Dots.	VA0002073743	August 03, 2017	Anagram International, Inc
35489 - Get Well Happy Rainbow.	VA0002073099	August 08, 2017	Anagram International, Inc
35684 - Emoticon Poop.	VA0002158628	April 23, 2019	Anagram International, Inc
35039 - Fun in the Sun Butterfly.	VA0002158615	April 23, 2019	Anagram International, Inc
36887 - Magical Unicorn Sitter.	VA0002141518	August 09, 2018	Anagram International, Inc
35389 - Dump Truck.	VA0002192008	November 08, 2019	Anagram International, Inc
32449 Happy Lady Bug.	VA0002118004	March 27, 2018	Anagram International, Inc
32451 - Happy Buzz'n Bee.	VA0002117662	March 28, 2018	Anagram International, Inc
33673 - Police Car.	VA0002192096	November 08, 2019	Anagram International, Inc
32851 - Pineapple.	VA0002192097	November 08, 2019	Anagram International, Inc
32562 - Happy Spring Butterfly.	VA0002156842	April 23, 2019	Anagram International, Inc
31235 - Lovely Bride.	VA0002059129	July 24, 2017	Anagram International, Inc

Title	Registration Number	Registration Date	Owner
31299 - Rainbow Unicorn.	VA0002085770	February 01, 2018	Anagram International, Inc
30725 - HBD Bear Gift.	VA0002073772	August 03, 2017	Anagram International, Inc
31237 - Handsome Groom.	VA0002059084	July 24, 2017	Anagram International, Inc
30699 - Bright Bold Happy Bday.	VA0002070715	August 07, 2017	Anagram International, Inc
30694 - HBD To You Mermaids.	VA0002070707	August 07, 2017	Anagram International, Inc
29392 - Merry Christmas Icons.	VA0002073093	August 08, 2017	Anagram International, Inc
29853 - Love Bear Hearts.	VA0002059128	July 24, 2017	Anagram International, Inc
28139 - Happy Face Rainbow.	VA0002073092	August 08, 2017	Anagram International, Inc
29908 - Cupid Strikes.	VA0002194139	January 09, 2020	Anagram International, Inc
29004 - Chalkboard Birthday Arrow.	VA0002192001	November 08, 2019	Anagram International, inc
28790 - Pink Sparkle Ballerina.	VA0002059125	July 24, 2017	Anagram International, Inc
28428 - Birthday Balloons.	VA0002070719	August 07, 2017	Anagram International, Inc
27239 - Santa with Tree.	VA0002073096	August 08, 2017	Anagram International, Inc
26802 Baby Boy Bottle Dots.	VA0002182740	October 18, 2019	Anagram International, Inc
26801 Baby Girl Bottle Dots.	VA0002182738	October 18, 2019	Anagram International, Inc
25577 - You Are Loved.	VA0002073774	August 03, 2017	Anagram International, Inc
25233 - Triple Layer Cake.	VA0002059121	July 24, 2017	Anagram International, Inc
25102 - Spider.	VA0002185234	October 30, 2019	Anagram International, Inc
25101 - Dancing Skeleton.	VA0002185233	October 30, 2019	Anagram International, Inc
24977 - Baby Girl Pink Rocking Horse.	VA0002075758	July 24, 2017	Anagram International, Inc
24662 - Wedding Rings.	VA0002059132	July 24, 2017	Anagram International, Inc
24575 - Baby Blue Rocking Horse.	VA0002093893	February 02, 2018	Anagram International, Inc
24475 - Sweet Stuff Bday Cake.	VA0002059116	July 24, 2017	Anagram International, Inc
119924 - It's a Girl Cupcake.	VA0002058009	July 17, 2017	Anagram International, Inc
119923 - It's a Boy Cupcake.	VA0002059083	July 17, 2017	Anagram International, Inc
21937 - Funky Birthday Cake.	VA0002059120	July 24, 2017	Anagram International, Inc

Title	Registration Number	Registration Date	Owner
21932 - Happy Birthday from All Marquee.	VA0002092804	September 27, 2017	Anagram International, Inc
20789 - Love is in the Air.	VA0002073094	August 08, 2017	Anagram International, Inc
20261 - Joyful Santa.	VA0002073100	August 08, 2017	Anagram International, Inc
119457 - Little Princess.	VA0002058010	July 17, 2017	Anagram International, Inc
18944 - Valentine Stacker.	VA0002073097	August 08, 2017	Anagram International, Inc
19346 - I'm Sorry Colorful Lines.	VA0002070717	August 07, 2017	Anagram International, Inc
18015 - Tuxedo.	VA0002059097	July 24, 2017	Anagram International, Inc
17952 - Baby Buggy Boy.	VA0002062023	August 14, 2017	Anagram International, Inc
15905 - Wedding Dress.	VA0002059095	July 24, 2017	Anagram International, Inc
11834 - Kissing Dolphins.	VA0002073301	August 07, 2017	Anagram International, Inc
09900 - Pastel Unicorn.	VA0002085623	January 31, 2018	Anagram International, Inc
08866 - Simply Said Love Heart.	VA0002073098	August 08, 2017	Anagram International, Inc
111236 Flamingo Beach.	VA0002115452	February 28, 2018	Anagram International, Inc
280917 - Anagram Mex Compilation.	VA0002113901	September 29, 2017	Anagram International, Inc
16988 - XO Heart Pattern.	VA0002070709	August 07, 2017	Anagram International, Inc
07460 - Pink Dolphin.	VA0002059112	July 24, 2017	Anagram International, Inc
24519 Sunshine Sun.	VA0002118018	March 27, 2018	Anagram International, Inc
33815 - Rainbow with Clouds.	VA0002117643	March 28, 2018	Anagram International, Inc
24542 - Just Married Wedding Car.	VA0002095565	October 10, 2017	Anagram International, Inc
65408 - Welcome Baby.	VA0002059118	July 24, 2017	Anagram International, Inc
30090 - Birthday Explosion.	VA0002092800	September 26, 2017	Anagram International, Inc
06195 - Champagne Glass.	VA0002059085	July 24, 2017	Anagram International, Inc
A11406 - Birthday Horns.	VA0002073740	August 03, 2017	Anagram International, Inc
04949 - Champagne Bottle.	VA0002060573	August 03, 2017	Anagram International, Inc

EXHIBIT E

DEPOSIT ACCOUNTS, SECURITIES ACCOUNTS AND COMMODITIES ACCOUNTS

Grantor	Financial Institution	Account Number
Anagram International, Inc.	Bank of America, N.A.	4451420057
Anagram International, Inc.	Bank of America, N.A.	4426208408
Anagram International, Inc.	Bank of America, N.A.	3299042566
Anagram International, Inc.	US Bank	1 602 3203 5966

EXHIBIT F

Form of

LANDLORD AGREEMENT

Each of (i) Ankura Trust Company, LLC ("**Ankura**"), in its capacity as collateral trustee pursuant to the First Lien Notes Indenture (as hereinafter defined) acting for and on behalf of the Secured Parties (as defined in the First Lien Notes Indenture) (in such capacity, together with its successors and permitted assigns, "**First Lien Collateral Trustee**") have entered into that certain first lien pledge and security agreement, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**First Lien Security Agreement**"), with [_____] (the "**Debtor**") and the other parties party thereto, and (ii) Ankura, in its capacity as collateral trustee pursuant to the Second Lien Notes Indenture (as hereinafter defined) acting for and on behalf of the Secured Parties (as defined in the Second Lien Notes Indenture) (in such capacity, together with its successors and permitted assigns, the "**Second Lien Collateral Trustee**" and, together with the First Lien Collateral Trustee, collectively, "**Collateral Trustees**" and, individually, each a "**Collateral Trustee**"), have entered enter into that certain second lien pledge and security agreement, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**" and, together with the First Lien Security Agreement, the "**Security Agreements**"), with the Debtor and the other parties party thereto, pursuant to which the Debtor has granted security interests in favor of the Collateral Trustees to secure the Debtor's obligations and liabilities under the Note Documents (as defined below) (the "**Secured Obligations**") in any or all of Debtor's or its subsidiaries' personal property, subject to the terms of the Security Agreements, including, but not limited to, "**inventory**" and "**equipment**" (as such terms are defined in Article 9 of the UCC as in effect from time to time in the state in which the Premises (as defined below) are located) and all products and proceeds of the foregoing, as more fully described in the Note Documents (hereinafter "**Personal Property**"). For purposes of this Landlord Agreement (this "**Letter Agreement**"), the term "**Personal Property**" does not include plumbing and electrical fixtures, heating, ventilation and air conditioning, wall and floor coverings, walls or ceilings and other fixtures not constituting trade fixtures. Some of the Personal Property has or may from time to time become affixed to or be located on, wholly or in part, the real property leased by Debtor or its subsidiaries located at *[insert Street Address, City, State ZIP Code]* (the "**Premises**"). The undersigned is the owner or lessor (the "**Landlord**") of the Premises which is leased to the Debtor pursuant to the terms of the [Lease Agreement], dated as of _____ (together with all amendments thereto, the "**Lease**").

For purposes of this Letter Agreement, the term "**First Lien Notes Indenture**" as used herein shall mean the Indenture, dated as of July 30, 2020, by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**", and together with the Company, the "**Issuers**"), the guarantors from time to time party thereto, and Ankura, as trustee and the First Lien Collateral Trustee, pursuant to which, among other things, the Issuers issued $110.0 million aggregate principal amount of 15.00% PIK/Cash Senior Secured First Lien Notes due 2025, and the term "**Second Lien Notes Indenture**" (together with the First Lien Notes Indenture, the Security Agreements and the respective agreements and documents entered into in connection with the First Lien Notes

Indenture and the Second Lien Notes Indenture, the "**Note Documents**") as used herein shall mean the Indenture, dated as of July 30, 2020, by and among the Issuers, the guarantors from time to time party thereto, and Ankura, as trustee and the Second Lien Collateral Trustee, pursuant to which, among other things, the Issuers issued $84,686,977 aggregate principal amount of 10.00% PIK/Cash Senior Secured Second Lien Notes due 2026, in each case, as the same now exists or may hereafter be amended, restated, amended and restated, supplemented, or otherwise modified from time to time. The term "**Holder Representative**" as used herein shall mean the First Lien Collateral Trustee until such time as the First Lien Collateral Trustee notifies the undersigned in writing (at the undersigned's address below) that the Holder Representative shall be Second Lien Collateral Trustee, and on and after delivery of such notice to the undersigned, the term "**Holder Representative**" shall mean Second Lien Collateral Trustee. Capitalized terms not defined shall have the meaning assigned to them in the First Lien Notes Indenture or Second Lien Notes Indenture, as applicable.

In order for the Collateral Trustees and the Secured Parties (as defined in the applicable Indentures) to provide and/or maintain financial accommodations to the Issuers and the grantors under the Security Agreements in reliance upon the Personal Property as collateral, the Landlord agrees as follows:

1. The Landlord acknowledges that the Lease is in full force and effect and is not aware of any existing default under the Lease.

2. The Landlord acknowledges the validity of the Collateral Trustees' liens and security interests on the Personal Property and waives and relinquishes any landlord's lien, rights of levy or distraint, claim, security interest or other interest the undersigned may now or hereafter have in or with respect to any of the Personal Property, whether for rent or otherwise.

3. The Landlord agrees to simultaneously send notice in writing of any default under the Lease (including, but not limited to, any termination notice) (a "**Default Notice**") to Debtor and Holder Representative at:

   Ankura Trust Company, LLC, as First Lien Collateral Trustee
   140 Sherman Street, Fourth Floor
   Fairfield, CT 06824
   Attention: Lisa Price
   Facsimile: 475-282-3450

   Ankura Trust Company, LLC, as Second Lien Collateral Trustee
   140 Sherman Street, Fourth Floor
   Fairfield, CT 06824
   Attention: Lisa Price
   Facsimile: 475-282-3450

   Upon receipt of such notice, each Collateral Trustee shall have the right, but not the obligation, to cure such default within sixty (60) days of the Collateral Trustees' receipt of such Default Notice (or such later date as the Collateral Trustee may reasonably

request), but neither the Collateral Trustees nor any Holder shall be under any obligation to cure any default by the Company under the Lease. Any payment made or act done by any Collateral Trustee to cure any such default shall not constitute an assumption by such Collateral Trustee of the Lease or any obligations of Debtor, and except as expressly provided in paragraphs 6 and 7 below, the Collateral Trustees shall not have any obligation to the Landlord.

4. The Landlord agrees that Personal Property may be installed in or located on the Premises and is not and shall not be deemed a fixture or part of the real property but shall at all times be considered personal property.

5. The Landlord agrees that the Personal Property may be inspected and evaluated by the Collateral Trustee or its designee, without necessity of court order, at any time with reasonable prior written notice without payment of any fee.

6. In the event of default by the Debtor in the payment or performance of the Secured Obligations or if the Landlord takes possession of the Premises for any reason, including because of termination of the Company's Lease (each a "**Disposition Event**"), the Landlord agrees that, the Holder Representative (and/or their designee), at their option, may enter and use the Premises for the purpose of repossessing, removing, selling or otherwise dealing with any of the Personal Property, and such license shall be irrevocable and shall continue from the date Holder Representative (and/or their designee) enter the Premises pursuant to the rights granted to it herein for a period not to exceed one hundred twenty (120) days (the "**Disposition Period**") or if later, until the receipt by Holder Representative (and/or its designee) of written notice from the undersigned directing Collateral Trustees (and/or their designee) to leave the Premises; provided that, for each day that the Holder Representative (or its designee) uses the Premises pursuant to the rights granted to it herein, unless the undersigned has otherwise been paid rent in respect of any of such period, the Holder Representative (and/or its designee) shall pay the regularly scheduled basic rent provided under the Lease relating to the Premises between the undersigned and Debtor, prorated on a per diem basis to be determined on a thirty (30) day month, without any Collateral Trustee thereby assuming the Lease or incurring any other obligations of Debtor. Any damage to the Premises caused by the Holder Representative (and/or their respective designees or representatives) will be repaired by the Holder Representative (and/or their respective designees or representatives), at the Holder Representative's expense, or the Holder Representative shall reimburse the Landlord for any physical damage to the Premises actually caused by the conduct of any auction or sale and any removal of the Personal Property by or through the Collateral Trustees (ordinary wear and tear excluded). Neither the Holder Representative nor any Holder shall (a) be liable to the Landlord for any diminution in value caused by the absence of any removed Personal Property or for any other matter except as specifically set forth herein or (b) have any duty or obligation to remove or dispose of any Personal Property or other property left on the Premises by the Debtor. To the extent that either or both Collateral Trustees are prohibited by any process or injunction issued by any court, or by reason of any bankruptcy or insolvency proceeding involving Debtor, from enforcing its security

interest in the Personal Property, such one hundred twenty (120) day period shall commence on the termination of such prohibition.

7. During any Disposition Period, the Holder Representative (a) or their respective designees may, without necessity of court order, enter upon the Premises at any time to inspect or remove all or any Personal Property from the Premises without interference by the Landlord, and the Holder Representative (and/or their respective designees) may sell, transfer or otherwise dispose of that Personal Property free of all liens, claims, demands, rights and interests that the Landlord may have in that Personal Property by law or agreement, including, without limitation, by public auction or private sale (and the Holder Representative may advertise and conduct such auction or sale at the Premises, and shall use reasonable efforts to notify the Landlord of their intention to hold any such auction or sale), in each case, without interference by the Landlord and (b) shall make the Premises available for inspection by the Landlord and prospective tenants and shall cooperate in Landlord's reasonable efforts to lease the Premises.

8. Without affecting the validity of this Letter Agreement, any of the Secured Obligations may be extended, amended, or otherwise modified without the consent of the Landlord and without giving notice thereof to the Landlord. This Letter Agreement may not be changed or terminated orally or by course of conduct and is binding upon the Landlord and the [heirs,][2] successors and assigns of the undersigned and inures to the benefit of the Collateral Trustees and their respective successors and assigns. The person signing this Letter Agreement on behalf of the Landlord represents to the Collateral Trustees that he/she has the authority to do so on behalf of the Landlord.

9. All notices hereunder shall be in writing and sent by certified mail (return receipt requested), overnight mail or facsimile (with a copy to be sent by certified or overnight mail), to the other party at the address set forth on the signature page hereto or at such other address as such other party shall otherwise designate in accordance with this paragraph.

10. This Letter Agreement is governed by, and shall be construed and interpreted in accordance with, the laws of the State of New York. The Landlord agrees that any legal action or proceeding with respect to any of its obligations under this Letter Agreement may be brought by the Collateral Trustees in any New York state court or federal court sitting in the Borough of Manhattan, in the city of New York. By its execution and delivery of this Letter Agreement, the Landlord submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. The Landlord waives any claim that the State of New York is not a convenient forum or the proper venue for any such action or proceeding.

11. THE LANDLORD WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE LANDLORD MAY HAVE TO CLAIM OR RECOVER

[2] Applicable to individual Landlords only.

FROM THE COLLATERAL TRUSTEES OR ANY HOLDER IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

12. THE LANDLORD AND THE COLLATERAL TRUSTEES HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THE LANDLORD AND THE COLLATERAL TRUSTEES IN ANY WAY RELATED TO THIS WAIVER.

13. This Letter Agreement shall continue in full force and effect until the indefeasible payment in full of all Secured Obligations.

This Letter Agreement is executed and delivered by the Landlord as of the date first written above.

[NAME OF LANDLORD]

By: _____
Name: _____
Title: _____

Notice Address:

_____
_____
Attention: _____
Facsimile: _____

EXHIBIT G

Form of

BAILEE NOTIFICATION
AND
ACKNOWLEDGMENT OF SECURITY INTEREST

_____ __, 20__

_____
_____
_____

Ladies and Gentlemen:

Please be advised that we and certain of our subsidiaries (collectively, the "**Company**") have entered into collateral arrangements with Ankura Trust Company, LLC ("**Ankura**"), in its capacity as collateral trustee pursuant to the First Lien Notes Indenture (as hereinafter defined) acting for and on behalf of the Secured Parties (as defined in the First Lien Notes Indenture) (in such capacity, together with its successors and permitted assigns, the "**First Lien Collateral Trustee**") and Ankura, in its capacity as collateral trustee pursuant to the Second Lien Notes Indenture (as hereinafter defined) acting for and on behalf of the Secured Parties (as defined in the Second Lien Notes Indenture) (in such capacity, together with its successors and permitted assigns, "**Second Lien Collateral Trustee**" and, together with the First Lien Collateral Trustee, collectively, the "**Collateral Trustees**" and, individually, each a "**Collateral Trustee**"), pursuant to which the Company has granted to each Collateral Trustee a security interest in, among other collateral, all of the Company's existing and future inventory and other goods, which may at any time now or hereafter be in your possession or control and all of the Company's inventory and other goods which may at any time now or hereafter be located on or in real property or buildings owned, leased or otherwise in your possession or control, and/or received or delivered to you for shipment, distribution, storage or otherwise, whether pursuant to any agreement or otherwise (collectively, "**Collateral**").

For purposes of this Bailee Notification and Acknowledgement of Security Interest (this "**Letter Agreement**"), the term "**First Lien Notes Indenture**" as used herein shall mean the Indenture, dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**", and together with the Company, the "**Issuers**"), the guarantors from time to time party thereto, and Ankura, as trustee and the First Lien Collateral Trustee, pursuant to which, among other things, the Issuers issued $110.0 million aggregate principal amount of 15.00% PIK/Cash Senior Secured First Lien Notes due 2025, and the term "**Second Lien Notes Indenture**" (together with the First Lien Notes Indenture and the respective agreements and documents entered into in connection with the First Lien Notes Indenture and the Second Lien Notes Indenture, the "**Note Documents**") as used herein shall mean the Indenture, dated as of July 30, 2020, by and among the Issuers, the guarantors from time to time party thereto, and Ankura,

as trustee and the Second Lien Collateral Trustee, pursuant to which, among other things, the Issuers issued $84,686,977 aggregate principal amount of 10.00% PIK/Cash Senior Secured Second Lien Notes due 2026, in each case, as the same now exists or may hereafter be amended, restated, amended and restated, supplemented, or otherwise modified. The term "**Holder Representative**" as used herein shall mean the First Lien Collateral Trustee until such time as the First Lien Collateral Trustee notifies the undersigned in writing (at the undersigned's address below) that the Holder Representative shall be Second Lien Collateral Trustee, and on and after delivery of such notice to the undersigned, the term "**Holder Representative**" shall mean Second Lien Collateral Trustee. Capitalized terms not defined shall have the meaning assigned to them in the First Lien Notes Indenture or Second Lien Notes Indenture, as applicable.

By your signature below, you acknowledge receipt of the above notice of each Collateral Trustee's liens and security interests and, upon receipt of written notice from the Holder Representative, agree to follow all instructions that Holder Representative may from time to time thereafter give to you with respect to Collateral in your possession or control or located on or in any of your premises, and/or received or delivered to you by or for our account for distribution, storage or otherwise. Upon being so notified by Holder Representative, you are to abide solely by Holder Representative's instructions with respect to any of such goods or other Collateral and you are not to release any Collateral to the Company or to anyone else except according to written instructions which may be given to you from time to time by Holder Representative. If so instructed by Holder Representative, you agree to return to Holder Representative all of the Company's goods and other Collateral in your custody, control or possession at the Company's expense. Pursuant to the Uniform Commercial Code, Sections 9-313(c)(1) and 9-313(c)(2), a person in possession of such collateral must authenticate a record acknowledging that it holds possession and will take possession for the secured party's benefit. You hereby acknowledge and agree that you hold and will have possession of such goods or other Collateral and proceeds for the benefit of the Collateral Trustees and Holders and you shall not take any action purporting to encumber or transfer any interest in such goods or other Collateral or the proceeds thereof.

You agree and acknowledge that you do not have and in no event will you assert, as against Holder Representative, any Collateral Trustee or any Holder, any lien, right of distraint or levy, right of offset, claim, deduction, counterclaim, security or other interest in any Collateral now or hereafter located on any of your premises or in your custody, possession or control, including any of the foregoing which might otherwise arise or exist in your favor pursuant to any agreement, common law, statute (including the Bankruptcy Code or any state insolvency law) or otherwise. You certify that you do not know of any security interest or other claim with respect to any of the Collateral, other than the security interest in favor of the Collateral Trustees which is the subject of this Letter Agreement. You agree that you will not to enter into any arrangement similar to that which is set forth in this Letter Agreement with any other person or entity at any time with respect to the Collateral or any portion thereof without the prior written consent of the Collateral Trustees. You agree and acknowledge that no negotiable or non-negotiable warehouse receipts, documents of title or similar instruments have been or will be issued by you with respect to any of the Company's goods, except for non-negotiable receipts naming Holder Representative or the Company as consignee. You are holding the Collateral as bailee for Collateral Trustees and Holders for the purpose of perfecting the security interest and lien of Collateral Trustees in the Collateral. You acknowledge that the Company is not a lessee or tenant of the premises where such Collateral is held and that the Collateral is not held by you as a consignee. You also

acknowledge (i) that the Collateral not covered by a document, as defined in the Uniform Commercial Code, and (ii) that the Collateral is and will be sequestered, stored, controlled, identified and accounted for separately from the equipment, inventory and other similar property of yours and other parties. You further acknowledge that you employ security measures consistent with industry practice with respect to safeguarding the property in your possession (including, without limitation, the Collateral) from theft and/or damage.

You further agree, upon prior written notice from the Holder Representative, to (a) allow Holder Representative or its agents to enter upon your premises during business hours for the purpose of examining, removing, taking possession of or otherwise dealing with any of the Collateral at any time in your possession or copies of any books and records related thereto and (b) provide the Holder Representative with any available detailed inventory reporting on a per location basis upon written request from the Holder Representative.

Collateral Trustees and Holders are relying upon this acknowledgment in connection with their collateral arrangements with the Company. This Letter Agreement may not be changed or terminated orally or by course of conduct. Any change to the terms of this Letter Agreement must be in writing and signed by Collateral Trustees. This Letter Agreement shall be binding upon you and your successors and assigns and shall be enforceable by and inure to the benefit of Holder Representative, Collateral Trustees, Holders and their respective successors and assigns.

This Letter Agreement constitutes our acknowledgment that Holder Representative, any Collateral Trustee or any Holder may assert any of the rights set forth or referred to herein, without objection by us. We also agree to reimburse you for all reasonable costs and expenses incurred by you as a direct result of compliance with the instructions of Holder Representative as to the disposition of any of the Collateral.

This Letter Agreement is governed by, and shall be construed in accordance with, the laws of the State of New York.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Please acknowledge your agreement to the foregoing by signing in the space provided below.

Very truly yours,

[APPROPRIATE ENTITY]

By: _____
Title: _____

ACKNOWLEDGED AND AGREED:

[_____]

By: _____
Title: _____

(Bailee)

EXHIBIT H

Form of

SUPPLEMENT AGREEMENT

SUPPLEMENT NO. [●], dated as of [●] (this "**Supplement**"), to that certain Second Lien Pledge and Security Agreement, dated as of July 30, 2020 (as amended, amended and restated, supplemented, waived, renewed, replaced or otherwise modified from time to time, the "**Security Agreement**"), by and among Anagram International, Inc., a Minnesota corporation (the "**Company**"), Anagram Holdings, LLC, a Delaware limited liability company (the "**Co-Issuer**" and together with the Company, the "**Issuers**"), the Subsidiary Parties from time to time party thereto (the foregoing Issuers and Subsidiary Parties, collectively, the "**Grantors**") and Ankura Trust Company, LLC ("**Ankura**"), in its capacity as collateral trustee for the benefit of the Secured Parties (as defined in the Security Agreement) (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**").

A. Reference is made to that certain Indenture dated as of July 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Indenture**"), by and among the Grantors from time to time party thereto, Ankura, as trustee and the Collateral Trustee.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement or the Indenture, as applicable.

C. The Grantors have entered into the Security Agreement in order to induce the Holders to purchase the Notes and to grant Liens with respect to the Secured Obligations. Section 7.12 of the Security Agreement and Section 10.06 of the Indenture provide that additional Subsidiaries of the Company may become Subsidiary Parties under the Security Agreement by the execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "**New Subsidiary**") is executing this Supplement in accordance with the requirements of Section 7.12 of the Security Agreement and Section 10.06 of the Indenture to become a Subsidiary Party under the Security Agreement as consideration for Notes previously purchased.

Accordingly, the Collateral Trustee and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 7.12 of the Security Agreement and Section 10.06 of the Indenture, the New Subsidiary by its signature below becomes a Subsidiary Party and a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Subsidiary Party and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Security Agreement applicable to it as a Subsidiary Party and Grantor thereunder and (b) represents and warrants as of the date hereof that the representations and warranties made by it as a Grantor thereunder to the extent required to be made as of the date hereof that are qualified as to materiality are true and correct in all respects on and as of the date hereof and those that are not so qualified are true and correct in all material respects on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance

in full of the Secured Obligations, does hereby create and grant to the Collateral Trustee for the benefit of the Secured Parties, their successors and permitted assigns, a security interest in and Lien on all of the New Subsidiary's right, title and interest in and to the Collateral of the New Subsidiary. On and from the date hereof, each reference to a "**Grantor**" and "**Subsidiary Party**" in the Security Agreement shall be deemed to include the New Subsidiary. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Trustee and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and except insofar as enforcement thereof is subject to general principles of equity and good faith and fair dealing.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Trustee shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Collateral Trustee has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile transmission or by email as a ".pdf" or ".tif" attachment or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement. The words "execution," "signed," "signature," and words of like import in this Supplement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth in Schedule I attached hereto is a true and correct list of the locations where the New Subsidiary currently maintains any material Collateral consisting of Inventory or Equipment of the New Subsidiary (other than in-transit Collateral or property in possession of a third party (e.g. warehouseman or other bailee)), in each case, with a fair market value of any such Collateral at each such location exceeding $1,000,000 individually, (b) set forth in Schedule II attached hereto is a true and correct schedule of all the Pledged Stock of the New Subsidiary and all Instruments (other than checks to be deposited in the ordinary course of business) and Tangible Chattel Paper, in each case, with a face amount exceeding $500,000, held by the New Subsidiary, (c) set forth in Schedule III attached hereto is a true and correct schedule, for the New Subsidiary, of all owned United States (i) issued Patents, Patent applications and registration and applications for Trademarks, in each case, filed with the United States Patent and Trademark Office, including the name of the registered owner and the registration or application number of each of the foregoing, and (ii) registrations and applications for United States Copyrights filed with the United States Copyrights Office, including the name of the registered owner and the registration or application number of each such Copyright, (d) set forth in Schedule IV attached hereto is the exact legal name

of the New Subsidiary, its jurisdiction of organization, incorporation or formation, as applicable, and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction) and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 8.01 of the Security Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Trustee for its expenses in connection with this Supplement, including the fees, other charges and disbursements of counsel in accordance with Section 7.06 of the Indenture.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Trustee have caused this Supplement to the Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NAME OF NEW SUBSIDIARY], as New Subsidiary

By: _____
Name:
Title:

ANKURA TRUST COMPANY, LLC, as Collateral Trustee

By: _____
Name:
Title:

Schedule I
to Supplement No. ___ to the
Second Lien Pledge and Security Agreement

LOCATION OF COLLATERAL

Description	Location

Schedule II
to Supplement No. ___ to the
Second Lien Pledge and Security Agreement

LIST OF PLEDGED STOCK
AND OTHER INVESTMENT PROPERTY

PLEDGED STOCK

Grantor	Record Owner	Certificate No.	Number of Shares	Class of Stock	Percentage of Outstanding Shares

BONDS

Grantor	Issuer	Number	Face Amount	Coupon Rate	Maturity

TANGIBLE CHATTEL PAPER

Grantor	Issuer	Number	Type	Face Amount	Coupon Rate	Maturity

PROMISSORY NOTES OR OTHER SECURITIES

Grantor	Issuer	Description of Collateral

Schedule III
to Supplement No. ___ to the
Second Lien Pledge and Security Agreement

INTELLECTUAL PROPERTY RIGHTS

UNITED STATES PATENT REGISTRATIONS

Registered Owner	Patent Description	Registered Patent Number	Issue Date

UNITED STATES PATENT APPLICATIONS

Patent Applicant	Patent Description	Application Serial Number	Application Filing Date

UNITED STATES TRADEMARK REGISTRATIONS

Registered Owner	Trademark	Registration Number	Registration Date

UNITED STATES TRADEMARK APPLICATIONS

Trademark Applicant	Trademark Application	Application Serial Number	Application Filing Date

UNITED STATES COPYRIGHT REGISTRATIONS

Copyright Owner	Copyright	Registration Number	Registration Date

UNITED STATES COPYRIGHT APPLICATIONS

Copyright Applicant	Copyright Application	Application Serial Number	Application Filing Date

Schedule IV
to Supplement No. ___ to the
Second Lien Pledge and Security Agreement

ORGANIZATIONAL INFORMATION

1. Legal Name:

2. Jurisdiction of Formation:

3. Location of Chief Executive Office: