UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:	)	Chapter 11
	)	
PORTRAIT INNOVATIONS, INC., et al.	)	Case No. 17-31455
	)	
Debtors.[1]	)	(Jointly Administered)
	)	

NOTICE OF FILING OF AMENDED PLAN SUPPLEMENT FOR DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION

PLEASE TAKE NOTICE that Portrait Innovations, Inc. and Portrait Innovations Holding Company, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), hereby file the following amended document that comprises part of the Plan Supplement in connection with confirmation of the Debtors' Amended Joint Plan of Reorganization, dated October 13, 2017 [Docket No. 191] (as may be amended, supplemented or modified from time to time, the "Plan")[2], along with a redline showing changes from the previously-filed document:

Exhibit A: Note Purchase Agreement

Exhibit B: Redline of Note Purchase Agreement

PLEASE TAKE FURTHER NOTICE that the Plan Supplement and any Exhibits, appendices, supplements or annexes to the Plan Supplement are incorporated into the Plan by reference and are a part of the Plan as if set forth therein. If the Plan is confirmed, the Plan Supplement will be approved as well. The Debtors, the Noteholders and the Reorganized Company reserve the right to alter, amend, modify or supplement any document in the Plan Supplement in accordance with the Plan; provided, however, that if any document in the Plan Supplement is altered, amended, modified or supplemented in any material respect, the Debtors will file a revised version of such document with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that, if you would like to obtain a copy of the Plan or the Plan Supplement, you may contact the Claims and Solicitation Agent by: (1) accessing its website at www.omnimgt.com/PortraitInnovations; or (2) in writing to Portrait Innovations, Inc.,

[1] The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors address is 2016 Ayrsley Town Center Boulevard, Suite 200, Charlotte North Carolina 28273.

2 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed to them in the Plan.

C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367. Please be advised that the Claims and Solicitation Agent is not permitted to provide legal advice.

This the 6th day of December, 2017.

RAYBURN COOPER & DURHAM, P.A.

By: /s/ John R. Miller, Jr.
John R. Miller, Jr.
N.C. State Bar No. 28689
Suite 1200, The Carillon
227 West Trade Street
Charlotte, NC 28202
(704) 334-0891

Counsel to the Debtors

EXHIBIT A

NOTE PURCHASE AGREEMENT

by and among

[REORGANIZED COMPANY]

as Issuer

[NEW HOLDCO]

as Holdings

and

THE PURCHASERS PARTY HERETO

Dated as of December [__], 2017

TABLE OF CONTENTS

Exhibits

NOTE PURCHASE AGREEMENT

NOTE PURCHASE AGREEMENT, dated as of December [__], 2017, by and among **[REORGANIZED COMPANY]**, a Delaware limited liability company (the "***Company***"), [**NEW HOLDCO**], a Delaware limited liability company ("***Holdings***"), **CAPITALSOUTH PARTNERS SBIC FUND III, L.P.**, a Delaware limited partnership ("***CapitalSouth III***"), **CAPITALSOUTH PARTNERS FUND II LIMITED PARTNERSHIP**, a Delaware limited partnership ("***CapitalSouth II***") and **CAPITALSOUTH PARTNERS FLORIDA SIDECAR FUND II, L.P.**, a Delaware limited partnership ("***Sidecar***" and, together with CapitalSouth III and CapitalSouth II, the "***Purchasers***" and each a "***Purchaser***").

STATEMENT OF PURPOSE:

WHEREAS, pursuant to the terms of that certain Amended Joint Chapter 11 Plan of Reorganization [Docket No. 191] (as may be amended, supplemented or modified from time to time, the "***Chapter 11 Plan***") of Portrait Innovations, Inc. and Portrait Innovations Holding Company (together, the "***Debtors***") filed in the chapter 11 cases entitled In re: Portrait Innovations, Inc., et al., case no. 17-31455 (the "***Chapter 11 Cases***"), pending in the United States Bankruptcy Court for the Western District of North Carolina (the "***Bankruptcy Court***"), on the Closing Date, the Company will acquire all of the assets of the Debtors;

WHEREAS, also on the Closing Date, the Company will issue new equity interests to Holdings constituting 100% of the Company's outstanding equity interest, such that the Company will thereafter be a wholly-owned subsidiary of Holdings;

WHEREAS, the Purchasers are the holders of the Existing Notes, and in accordance with the terms of the Chapter 11 Plan the Purchasers have agreed to accept, in partial satisfaction of their claims on account of such Existing Notes, senior secured promissory notes issued by the Company in the aggregate original principal amount of $12,000,000 and substantially in the form as Exhibit A hereto (the "***Term Notes***");

WHEREAS, the Company wishes to sell to the Purchasers, and the Purchasers wish to purchase from time to time on the terms and conditions set forth herein senior secured multiple advance promissory notes issued by the Company to the Purchasers in the aggregate principal amount of up to $7,000,000 and substantially in the form of Exhibit B hereto (the "***Revolving Notes***", and together with the Term Notes, individually and collectively, the "***Notes***"), the proceeds of which shall be used to fund the Chapter 11 Plan Payments on the Closing Date and for general working capital purposes;

WHEREAS, Holdings and each other Guarantor will guarantee, on a joint and several basis, the Obligations under the Notes; and

WHEREAS, on the Closing Date, each Loan Party will grant a Lien on substantially all of its assets to the Collateral Agent, for the benefit of the Holders, to secure its respective obligations hereunder and under the other Note Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms have the meanings indicated:

"Advance" has the meaning given to that term in Section 2.1(b)(ii).

"Additional Advance" has the meaning given to that term in Section 2.1(b)(ii).

"Administrative Claims Reserve" has the meaning given to that term in the Chapter 11 Plan.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns ten percent (10%) or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Capital Stock, by contract or otherwise. None of the Purchasers nor any of their respective Affiliates shall be, or be deemed to be, an Affiliate of any Loan Party.

"Agreement" means this Agreement, including the exhibits and schedules attached hereto, as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Authority" has the meaning assigned to that term in Section 8.12(b).

"Bankruptcy Court" has the meaning given to that term in the recitals.

"Board" means the board of directors of Holdings.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the States of North Carolina are authorized or required by law or executive order to close.

"CAA" has the meaning set forth in the definition of "Environmental Laws."

"Capital Expenditure" means any expenditure for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a balance sheet prepared in accordance with GAAP, excluding (a) the cost of assets acquired pursuant to Capitalized Leases, (b) expenditures of insurance proceeds to rebuild or replace any asset after a casualty loss and (c) leasehold improvement expenditures for which the Person is reimbursed promptly by the lessor.

"CapitalSouth II" has the meaning given to that term in the preamble hereof.

"CapitalSouth III" has the meaning given to that term in the preamble hereof.

"Capital Stock" means (a) any capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise), and (b) any option, warrant, security or other right (including Debt securities or other evidence of Debt) directly or indirectly convertible into or exercisable or exchangeable

for, or otherwise to acquire directly or indirectly, any capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or security described in clause (a) above.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of any Person shall mean the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"cash" means the currency of the United States of America.

"Cash Equivalents" means (a) short-term obligations of, or fully guaranteed by, the United States of America, (b) commercial paper rated A-1 or better by Standard & Poors or P-1 or better by Moody's, (c) demand deposit accounts maintained in the ordinary course of business, and (d) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000; provided in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"Cash on Hand" means the aggregate amount of all cash and Cash Equivalents of the Company and its Subsidiaries in all banks account owned or controlled by the Company or any of its Subsidiaries, other than accounts exclusively used for payroll or employee benefits purposes.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

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

(a) consummation of a merger, consolidation, reorganization, sale of Capital Stock, sale or other disposition of all or substantially all of the assets of Holdings (a "***Business Combination***"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the then outstanding voting securities of Holdings (the "***Outstanding Holdings Voting Securities***") immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%), respectively, of the then outstanding shares of voting Capital Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns Holdings or all or substantially all of Holdings' assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Holdings Voting Securities, (ii) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the economic interests in respect of the Capital Stock of Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%), respectively, of the then outstanding shares of the economic interests of the Capital Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns Holdings or all or substantially all of Holdings' assets either directly or through one or more Subsidiaries) and (iii) at least a majority of the members of the board of directors (or equivalent governing body) of the entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; and

(b) (i) Holdings shall cease to be the sole record and beneficial owner of all Capital Stock of the Company or any of its direct or indirect Subsidiaries or (ii) the Company shall cease to be the sole and beneficial owner of any of its Subsidiaries.

"Chapter 11 Cases" has the meaning given to that term in the recitals.

"Chapter 11 Plan" has the meaning given to that term in the recitals.

"Chapter 11 Plan Payments" means the aggregate amount of cash necessary to fund in full the GUC Fund, the Administrative Claims Reserve and the Professional Fee Reserve, and to repay in full all Allowed DIP Facility Claims (as defined in the Chapter 11 Plan) on the Closing Date.

"Closing" has the meaning assigned to that term in Section 2.3.

"Closing Date" has the meaning assigned to that term in Section 2.3.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

"Collateral" has the meaning set forth in the Security Agreement.

"Collateral Agent" means the Collateral Agent appointed pursuant to Section 12A.1 or any successor Collateral Agent appointed pursuant to Section 12A.6.

"Collateral Documents" means the Security Agreement, the Intellectual Property Security Agreements, each deposit account control agreement and each other agreement or writing pursuant to which Holdings or any Subsidiary thereof purports to pledge or grant a security interest in any property or assets securing the Obligations, or any such Person purports to guarantee the payment and/or performance of the Obligations, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Company" has the meaning given to that term in the preamble hereof and shall extend to all permitted successors and assigns of such Person.

"Confirmation Order" means an order of the Bankruptcy Court, in form and substance satisfactory to the Purchasers, entered in the Chapter 11 Cases confirming the Chapter 11 Plan and approving the Transactions and entry into the Transaction Documents.

"Contractual Obligations" means as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument or arrangement (whether in writing or otherwise), other than a Transaction Document, to which such Person is a party or by which it or any of such Person's property is bound.

"CWA" has the meaning given to that term in the definition of "Environmental Laws."

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all obligations issued, undertaken or assumed by such Person as the deferred purchase price of property or services (other than trade payables entered into in the original course of

business on ordinary terms); (c) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments; (d) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all Capitalized Lease Obligations of such Person; (f) all indebtedness of such Person referred to in clauses (a) through (e) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (it being understood that if such Person has not assumed or otherwise become personally liable for any such Debt, the amount of the Debt of such Person in connection therewith shall be limited to the lesser of the face amount of such Debt or the fair market value of all property of such Person securing such Debt); and (g) all guaranties of such Person of any Debt of another Person. For the avoidance of doubt, the Class A Units of Holdings shall not be Debt for any purpose hereunder.

"Debtors" has the meaning given to that term in the recitals.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Rate" has the meaning given to that term in Section 3.1(c).

"Distributions" by a Person means (a) dividends or other distributions on any now or hereafter outstanding Capital Stock of such Person, (b) the redemption, repurchase, defeasance or acquisition of such Capital Stock or of warrants, rights or other options to purchase such Capital Stock, and (c) any loans or advances (other than salaries, bonuses or reimbursement of employee expenses in the ordinary course of business), to any stockholder(s), partner(s) or member(s) of such Person.

"EBITDA" means, for any period in question, the sum of (a) Net Income for such period plus (b) to the extent deducted in determining such Net Income, the sum (without duplication) of (i) Interest Expense during such period, (ii) depreciation expenses of Holdings and its Subsidiaries during such period, (iii) amortization expenses of Holdings and its Subsidiaries during such period, (iv) all federal, state and local income taxes payable by Holdings and its Subsidiaries during such period, (v) any extraordinary losses of Holdings and its Subsidiaries incurred other than in the ordinary course of business during such period, (vi) any management fees paid to Purchasers or their Affiliates, (vii) non-recurring expenses (such as restructuring costs, including, without limitations, costs associated with the Chapter 11 Cases, or penalties required to be expensed under GAAP), and (viii) non-cash charges reducing income under GAAP minus (c) to the extent added in determining such Net Income, any extraordinary gains of Holdings and its Subsidiaries realized other than in the ordinary course of business during such period, all determined on a consolidated basis and in accordance with GAAP.

"Effective Date" has the meaning given to that term in the Chapter 11 Plan.

"Environmental Complaint" has the meaning assigned to that term in Section 8.12(b).

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, Licenses, concessions, grants, franchises, agreements and other governmental restrictions relating to (a) the protection of the environment, (b) the effect of the environment on human health, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water, air or land, or (d) the manufacture, processing, distribution, use, treatment, storage,

disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof, including, without limitation, the Clean Air Act, 42 U.S.C. § 7401 et seq. (**"*CAA*"**), the Clean Water Act, 33 U.S.C. § 1251 et seq. (**"*CWA*"**), the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act), 42 U.S.C. § 6901 et seq. (**"*RCRA*"**), and CERCLA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means a corporation that is or was a member of a controlled group of corporations with Holdings within the meaning of Section 4001(a) or (b) of ERISA or Section 414(b) of the Code, a trade or business (including a sole proprietorship, partnership, trust, estate or corporation) that is under common control with any Loan Party within the meaning of Section 414(m) of the Code, or a trade or business which together with any Loan Party is treated as a single employer under Section 414(o) of the Code.

"Event of Default" has the meaning assigned to that term in Section 11.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Notes" means the 12% Senior Subordinated Notes issued pursuant to that certain Note Purchase Agreement, dated as of February 26, 2015, by and between Portrait Innovations, Inc., Portrait Innovations Holding Company, CapitalSouth II and CapitalSouth III (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof).

"Fiscal Quarter" means in respect of a date as of which the applicable financial covenant is being calculated or financial report is being furnished, any fiscal quarter of a Fiscal Year (currently the three month periods ending on each March 31, June 30, September 30 and December 31 annually).

"Fiscal Year" means the fiscal year for financial accounting and reporting purposes of Holdings and its Subsidiaries (currently the fiscal year ending December 31).

"Fixed Charge Coverage Ratio" means, for any period, the ratio of (a) EBITDA for such period minus the sum of the following for such period (i) Capital Expenditures, (ii) cash taxes paid or required to be paid plus all tax Distributions made to holders of Capital Stock and (iii) all other Distributions made to holders of Capital Stock (other than payments of the Preferred Dividend); to (b) Fixed Charges during such period, all determined on a consolidated basis and in accordance with GAAP.

"Fixed Charges" means, for any period, the sum of the following determined on a consolidated basis for such period, without duplication, for Holdings and its Subsidiaries in accordance with GAAP: (a) Interest Expense to the extent paid or payable in cash during such period, plus (b) scheduled principal payments with respect to Debt made during such period (including the principal component of Capitalized Lease Obligations), plus (c) any management fees paid to Purchasers or their Affiliates and (d) non-recurring expenses (such as restructuring costs or penalties required to be expensed under GAAP).

"Funded Debt" means, as of any date of determination, all outstanding Debt of the types described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" as of such date.

"GAAP" means generally accepted accounting principles in effect within the United States from time to time, consistently applied.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision of any thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, regulation or compliance, including, without limitation, any federal, state or local public utility commission, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"GUC Fund" has the meaning given to such term in the Chapter 11 Plan.

"Hazardous Discharge" has the meaning assigned to that term in Section 8.12(b).

"Hazardous Materials" means (a) any "hazardous substance", as defined by CERCLA, (b) any "hazardous waste", as defined by RCRA, (c) any petroleum product, (d) any "pollutant," as defined by the CWA, or (e) contaminant or hazardous, dangerous or toxic chemical, material or substance within the meaning of any other Environmental Law.

"Hedging Agreement" means any rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging agreement.

"Holder" means each holder of a Note hereunder.

"Holdings" has the meaning given to that term in the preamble hereof.

"Holdings LLC Agreement" means the limited liability company agreement of Holdings, as in effect on the Closing Date and as amended, restated, supplemented or otherwise modified from time to time.

"Indemnified Party" has the meaning given to that term in Section 12.1.

"Initial Advance" has the meaning given to that term in Section 2.1(b)(i).

"Initial Public Offering" means the initial firm commitment underwritten public offering of shares of any of the Capital Stock of any Loan Party (or Capital Stock of a successor corporation) pursuant to an effective registration statement under the Securities Act.

"Insolvency Proceeding" means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors (including any proceeding under the United States Bankruptcy Code) or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of such creditors, In each case other than the Chapter 11 Cases.

"Intellectual Property Security Agreement" means each trademark security agreement, patent security agreement and copyright security agreement, between any Loan Party and CapitalSouth III, as the Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time.

"Interest Expense" means, for the period in question, without duplication, all gross interest expense of Holdings and its Subsidiaries (including, without limitation, all commissions, discounts and/or related amortization and other fees and charges owed by Holdings and/or its Subsidiaries with respect to letters of credit, the net costs associated with any Hedging Agreement of Holdings and/or its Subsidiaries, capitalized interest expense, the interest portion of Capitalized Lease Obligations and the interest portion of any deferred payment obligation) for such period, all determined on a consolidated basis and in accordance with GAAP; provided, that any payments of the Preferred Dividend shall not constitute "Interest Expense" for any purpose hereunder.

"Interest Payment Date" has the meaning given to that term in Section 3.1(a).

"Interest Rate" has the meaning given to that term in Section 3.1(a).

"Key Man Life Insurance Policy" has the meaning assigned to that term in Section 8.17.

"Leverage Ratio" means, with respect to Holdings and its Subsidiaries as of any date of determination, the ratio of (a) Funded Debt on such date to (b) EBITDA for the trailing twelve (12) month period ending on or immediately prior to such date, determined on a consolidated basis and in accordance with GAAP.

"Liabilities" has the meaning given to that term in Section 12.1.

"Licenses" means all licenses, permits, authorizations, determinations, and registrations issued by any Governmental Authority to any Loan Party or any Subsidiary in connection with the conduct of its business.

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, or any financing lease having substantially the same economic effect as any of the foregoing, but not including the interest of a lessor under an operating lease).

"Loan Parties" means Holdings, the Company and all of their respective direct or indirect Subsidiaries.

"Material Adverse Effect" means an effect that results in or causes (a) a material adverse change in, or a material adverse effect upon, the assets, liabilities, business, properties, prospects, operations, or condition (financial or otherwise) of Holdings, the Company and their respective Subsidiaries, taken as a whole, or (b) a material adverse effect upon the legality, validity, binding effect or enforceability against Holdings, the Company or any of their respective Subsidiaries of any Note Document.

"Maturity Date" has the meaning given to that term in Section 3.2(a).

"Moody's" means Moody's Investors Service, Inc.

"Net Income" means the income (or loss) of Holdings and its Subsidiaries for the period in question, determined on a consolidated basis and in accordance with GAAP, calculated before any

provision for income taxes and any minority interest adjustment required under GAAP and excluding any gain (or loss) from any foreign currency exchange or translation.

"Notes" has the meaning given to that term in the recitals.

"Note Documents" means this Agreement, the Notes, the SBA Documents, the Collateral Documents and each other agreement, document or certificate delivered pursuant to this Agreement or the Notes, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Obligations" means all obligations of every nature of the Company or any other Loan Party, as applicable, from time to time owed to the Purchasers under the Note Documents, whether for principal, interest, fees, expenses, indemnification or otherwise; provided, however, for the avoidance of doubt, no obligations owing by any Loan Party to any Holder or any Affiliate of any Holder, or their respective successors or assigns, in respect of or pursuant to any equity investment made by any Holder or any Affiliate of any Holder, or their respective successors and assigns, in Holdings or any other Loan Party shall be included in the Obligations.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Organizational Documents" means the limited liability company agreement or bylaws (as applicable), certificate or articles of formation or certificate or articles of incorporation (as applicable) and other similar organizational and governing documents of Holdings and its Subsidiaries.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permitted Liens" means those Liens permitted pursuant to Section 9.2.

"Person" means any individual, firm, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"PIK Interest" has the meaning given to that term in Section 3.1.

"Plans" means any employee benefit plan (as defined in Section 3(3) of ERISA) or other employee benefit arrangement.

"Preferred Dividend" means regularly scheduled dividends paid to the holders of Class A Units of Holdings at the rate and on the terms set forth in the Holdings LLC Agreement.

"Prepayment Date" has the meaning set forth in Section 3.2(b).

"Professional Fee Reserve" has the meaning given to that term in the Chapter 11 Plan.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Purchasers" has the meaning given to that term in the preamble hereof.

"RCRA" has the meaning given to that term in the definition of "Environmental Laws."

"Release" has the meaning assigned to that term in Section 8.12(b).

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event; provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Holders" means the Holders of at least fifty-one percent (51%) of the outstanding principal balance of the Notes.

"Requirements of Law" means as to any Person, provisions of the Organizational Documents of such Person, or any law, treaty, code, rule, regulation, right, privilege, qualification, License or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to such Person or any of such Person's property or to which such Person or any of such Person's property is subject or pertaining to any or all of the transactions contemplated or referred to herein.

"Revolving Notes" has the meaning given to that term in the recitals.

"Revolving Notes Commitment" has the meaning given to that term in Section 2.1(b).

"Sanctioned Entity" means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in a country that is subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn/index.html, or as otherwise published from time to time.

"SBA" means the United States Small Business Administration

"SBA Documents" means, collectively, the small business investment company side letter, the economic impact assessment and SBA Forms 480, 652 and 1031 in the forms attached hereto as Exhibit C.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations thereunder as the same shall be in effect at the time.

"Security Agreement" means the Security Agreement, among the Loan Parties, CapitalSouth III, as the Collateral Agent, and the other parties thereto, as amended, restated, supplemented or otherwise modified from time to time.

"Sidecar" has the meaning given to that term in the preamble hereof.

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

"Subsidiary" means, with respect to any Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person. Unless otherwise qualified, all references to a **"Subsidiary"** or to **"Subsidiaries"** in this Agreement shall refer to a Subsidiary or Subsidiaries of Holdings.

"Tax" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on-minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with a Governmental Authority responsible for the administration of Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Term Notes" has the meaning given to that term in the preamble hereof.

"Termination Event" means (i) a Reportable Event with respect to any Plan or Multiemployer Plan; (ii) the withdrawal of the Company or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (iii) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (v) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vi) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of the Company or any member of the Controlled Group from a Multiemployer Plan.

"Transaction Documents" means, collectively, the Note Documents, the Chapter 11 Plan, the Confirmation Order and the SBA Documents.

"Transactions" means, collectively, (a) the issuance of the Notes hereunder and the execution of the Note Documents, (b) the transactions contemplated by the Chapter 11 Plan and the Confirmation Order, and (c) the payment of all fees and expenses in connection with the foregoing.

1.2 **Accounting Terms**. All accounting terms used herein and not expressly defined in this Agreement shall have the respective meanings given to them in conformance with GAAP. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with GAAP, consistently applied, to the extent applicable, except as otherwise expressly provided in this Agreement.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase, Sale and Issuance of the Notes.

(a) Term Notes. Subject to the terms and conditions herein set forth, on the Closing Date, the Company will issue to the Purchasers, and the Purchasers will acquire from the Company, the Term Notes in the initial principal amount of $12,000,000, allocated among the Purchasers in the respective amounts set forth on Schedule 2.1 in satisfaction of a portion of such Purchaser's Allowed Class 3 Claim (as defined in the Chapter 11 Plan) in accordance with the Chapter 11 Plan. Amounts repaid under the Term Notes may not be reborrowed.

(b) Revolving Notes. Subject to the terms and conditions herein set forth, on the Closing Date, each Purchaser severally and not jointly agrees to purchase from the Company, and the Company agrees to issue and sell to the Purchasers, the Revolving Notes in an aggregate principal amount of up to $7,000,000 at any one time outstanding (the "***Revolving Notes Commitment***"), allocated among the Purchasers as set forth on Schedule 2.1. Amounts paid under the Revolving Notes may be reborrowed, subject to the terms and conditions hereof.

(i) Initial Advance on the Closing Date. On the Closing Date, the Purchasers, severally and not jointly, shall make an advance under the Revolving Notes in an aggregate amount equal to the amount of the Chapter 11 Plan Payments (the "***Initial Advance***"), allocated among the Purchasers pro rata based on such Holder's Revolving Notes Commitment set forth on Schedule 2.1.

(ii) Additional Advances. Subject to the satisfaction of the conditions set forth in Sections 2.1(c) and 4.2, each Holder of a Revolving Note, severally and not jointly, shall from time to time make one or more additional advances to the Company after the Closing Date (each, an "***Additional Advance***" and, together with the Initial Advance, each an "***Advance***") under its Revolving Notes in an aggregate amount, when combined with all Advances then outstanding, not to exceed the Revolving Notes Commitment, each of which shall be allocated among the Holders pro rata based on such Holder's Revolving Notes Commitment set forth on Schedule 2.1.

(c) Procedures for Additional Advances. Subject to the satisfaction of the conditions set forth in Section 4.2, each Additional Advance shall be made upon the Company's written notice delivered to the Holders (each, a "***Notice of Advance***"), which notice must be received by the Holders prior to 1:00 p.m. (prevailing Eastern time) not less than three (3) Business Days prior to the requested date of such Additional Advance (the "***Advance Date***"). Such Notice of Advance shall be in substantially the form attached hereto as Exhibit D, and shall specify (i) the aggregate amount of the requested Advance; and (ii) the requested Advance Date, which shall be a Business Day. No more than one (1) Advance shall be made in any two (2) week period. For the avoidance of doubt, no Holder shall be required to fund any Advances to the extent that, after giving effect to such Advance the aggregate amount of all Advances by such Holder which are then outstanding would exceed such Holder's Revolving Notes Commitment.

2.2 Fees Payable.

(a) [Reserved]

(b) [Reserved].

(c) Reimbursement of Expenses. At the Closing, the Company agrees to reimburse all of the Purchasers' reasonable fees and expenses (including, without limitation, reasonable fees, charges and disbursements of professionals and consultants, and other reasonable out-of-pocket expenses, including, without limitation, travel expenses) incurred in connection with (i) the negotiation and execution and delivery of this Agreement and the Transaction Documents and the filing of the SBA Documents, and (ii) the other transactions contemplated by this Agreement and the Note Documents (including filings or other actions required to perfect the security interests granted under the Collateral Documents).

2.3 Closing. The purchase and issuance of the Notes shall take place at the closing (the "***Closing***") on the date hereof (the "***Closing Date***"). At the Closing, the Company shall deliver the Notes to the Purchasers and the Purchasers shall deliver the Initial Advance, which is payable by wire transfer of immediately available funds.

ARTICLE 3
THE NOTES

3.1 Interest.

(a) Interest Rate; Payments. Interest on the sum of the outstanding principal amount of the Notes (plus any previously compounded PIK Interest relating thereto plus any default interest added thereto pursuant to Section 3.1(c)) shall accrue from the issuance thereof and including the Closing Date, as applicable, until full and final repayment of the principal amount of such Note and the payment of all interest in full, (i) with respect to the Revolving Notes, at an aggregate rate of nine percent (9%) per annum, and (ii) with respect to the Term Notes, at an aggregate rate of twelve percent (12%) per annum (the "***Interest Rate***"), in each case, compounded monthly and computed on the basis of the actual number of days elapsed and a 360-day year. On the last day of each calendar month in which any Note is outstanding, commencing with the calendar month ending on January 31, 2018, the Company shall pay in arrears in cash by automatic bank draft accrued interest on the outstanding principal amount of each such outstanding Note in an amount equal to the interest which is currently payable in cash hereunder as set forth above; provided that the Company may, at its option but solely to the extent approved by the Board, elect to pay all or a portion of the interest due and payable in kind as set forth in Section 3.1(b) (the "***PIK Interest***"). If any day on which interest is to be paid is not a Business Day, such interest shall be paid on the immediately preceding Business Day to occur prior to such date (each date upon which interest shall be so payable, an "***Interest Payment Date***"). To the extent that any interest is paid as PIK Interest, the amount of cash interest to be paid and the amount of PIK Interest to be accrued shall in each case be apportioned to each outstanding Note pro rata based upon the principal amount of each Note (including previously accrued PIK) outstanding as of the applicable Interest Payment Date.

(b) PIK Interest. On each Interest Payment Date whereupon the Company has elected to pay interest in kind rather than in cash, the portion of such unpaid interest not paid in cash shall be added to the principal amount of the applicable Note and shall thereafter bear interest as set forth herein and shall be payable in full with the first payment of the principal amount of the applicable Note if not otherwise paid prior to such date; provided, that all accrued PIK Interest shall accrue cumulatively whether or not the Company shall have capital, surplus, earnings or other amounts sufficient to lawfully pay such amounts.

(c) Default Rate of Interest. Notwithstanding the foregoing provisions of this Section 3.1, but subject to Requirements of Law, upon and during the occurrence of any Event of Default, each Note shall bear interest from the date of the occurrence of such Event of Default until such Event of Default is cured at a rate equal to the sum of (i) the Interest Rate payable as provided in Section 3.1(a)

above plus (ii) an additional two percent (2%) per annum (the "***Default Rate***"). Subject to Requirements of Law, any interest that shall accrue on overdue interest on any Note as provided in the preceding sentence and shall not have been paid in full on or before the next Interest Payment Date to occur after the date on which the overdue interest became due and payable shall itself be accrued as PIK Interest to which Section 3.1(b) shall apply.

(d) No Usurious Interest. In the event that any interest rate(s) provided for in this Section 3.1 or otherwise in this Agreement, shall be determined to exceed any limitation on interest under Requirements of Law, such interest rate(s) shall be computed at the highest rate permitted by Requirements of Law. Any payment by the Company of any interest amount in excess of that permitted by law shall be considered a mistake, with the excess being applied to the principal amount of the affected Notes without prepayment premium or penalty; if no such principal amount is outstanding, such excess shall be returned to the Company.

3.2 Redemption of Notes.

(a) Maturity Date. The Company shall redeem Notes on [_____], 2022[1] (the "***Maturity Date***"), each by payment in cash in full of the entire outstanding principal balance thereof (including all unpaid interest that has been added to the outstanding principal amount (including PIK Interest) of such Note pursuant to Section 3.1(b) or (c)), together with all unpaid interest accrued thereon to such date. All obligations to fund Additional Advances shall terminate thirty (30) days prior to the Maturity Date.

(b) Optional Redemption or Prepayment by Company. The Company shall have the right, at its sole option and election, at any time or from time to time and prior to the Maturity Date to prepay the Notes, in whole or in part, applied as set forth in Section 3.3 below, on not less than ten (10) days' prior written notice of the date of redemption or prepayment (any such date, a "***Prepayment Date***") by payment of an amount equal to the unpaid principal balance thereof to be redeemed or prepaid, without premium or penalty.

(c) Optional Redemption by the Holders. Upon the occurrence of (i) a Change of Control (and concurrent with the closing of any such transaction), (ii) an Initial Public Offering or (iii) a sale of all or substantially all of the Company and its Subsidiaries' assets, each Holder may elect to sell to the Company and the Company shall be required to purchase all Notes held by such Holder in full by payment of an amount equal to (A) the unpaid principal balance thereof, plus (B) all unpaid interest accrued thereon through the date of redemption, plus (C) all outstanding and unpaid fees and expenses payable by the Company to such Holder through the date of redemption.

(d) Mandatory Prepayment Using Life Insurance Proceeds. On the date of receipt of any life insurance proceeds from the Key Man Life Insurance Policy, an amount equal to one hundred percent (100%) of such proceeds shall be paid by the Company to the Holders as prepayment of the Notes, with any excess proceeds, absent the occurrence and continuance of an Event of Default, being released to the Company or, in any case, as a court of competent jurisdiction otherwise directs.

(e) Mandatory Prepayment of Revolving Notes. If at any time the Company's Cash On Hand exceeds $2,000,000 then the Company shall promptly prepay the Notes in an amount equal to the entire amount of such excess.

[1] NTD - To be 5 years from the Closing Date.

(f) Acceleration. In addition, the Notes shall be subject to acceleration as set forth in Section 11.2.

3.3 Manner of Payment.

(a) All fees, interest, premium and principal payable in respect of any Note shall be paid by automatic bank draft of immediately available funds to an account at a bank designated in writing by the Holder of such Note. In the absence of any such written designation, any such interest payment shall be deemed made on the date a check in the applicable amount payable to the order of the Holder thereof is received by such Holder at its last address as reflected in the Note Register (as defined in the Notes).

(b) All payments made by the Company (pursuant to this Article 3 or otherwise) upon the Obligations relating to the Notes and all net proceeds from the enforcement of the Obligations shall be applied (i) *first*, to that portion of the Obligations constituting fees, indemnities and expenses (including attorney fees) payable to the Holders, (ii) *second*, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Revolving Notes, (iii) *third*, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Notes, (iv) *fourth*, to the payment of that portion of the Obligations constituting unpaid principal of the Revolving Notes, (v) *fifth*, to the payment of that portion of the Obligations constituting unpaid principal of the Term Notes and (vi) *last*, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by any Requirements of Law.

(c) Subject to Section 3.3(b), all payments made by the Company upon the Notes (including, without limitation, payments of principal if prepaid or upon earlier acceleration) shall be paid proportionally among the Holders of the Revolving Notes or the Term Notes, as applicable, based upon the outstanding principal amounts of such Notes.

ARTICLE 4
CONDITIONS TO THE OBLIGATIONS OF THE PURCHASERS

4.1 Conditions to the Obligations of the Purchasers to Purchase the Notes on the Closing Date. The obligation of the Purchasers to purchase the Notes, fund the Initial Advance on the Closing Date and to perform any obligations hereunder shall be subject to the reasonable satisfaction as determined by, or waived by, the Purchasers of the following conditions on or before the Closing Date; provided, that any waiver of a condition shall not be deemed a waiver of any breach of any representation, warranty, agreement, term or covenant, as specifically set forth elsewhere in this Agreement, or of any misrepresentation by the Company.

(a) Representations and Warranties. The representations and warranties contained in Article 6 hereof shall be true and correct in all material respects at and as of the Closing Date after giving effect to the Transactions.

(b) Compliance with this Agreement. The Company shall have performed and complied with all of its agreements and conditions set forth or contemplated herein and the other Transaction Documents in all material respects that are required to be performed or complied with by the Company on or before the Closing Date, and the Purchasers shall have received at the Closing a certificate to the foregoing effect, dated the Closing Date, and executed by the chief executive officer or chief financial officer on behalf of the Company.

(c) Secretary's Certificates. The Purchasers shall have received a certificate from the Company, dated the Closing Date and signed by the Secretary or an Assistant Secretary of the Company, as applicable, certifying (i) that the attached copies of the Organizational Documents of the Company and resolutions of the board of directors or similar governing body of the Company approving the Transaction Documents to which it is a party and the Transactions are all true, complete and correct and remain unamended and in full force and effect, and (ii) the incumbency and specimen signature of each officer of the Company executing any Note Document to which it is a party or any other document delivered in connection herewith and therewith on behalf of the Company.

(d) Documents. The Purchasers shall have received true, complete and correct copies of the Transaction Documents.

(e) Good Standing Certificates. The Loan Parties shall have delivered to the Purchasers as of the Closing Date, good standing certificates for it for which such a certificate is issuable by a Governmental Authority for its jurisdiction of incorporation or formation and all other jurisdictions where it does business.

(f) No Litigation. No action, suit or proceeding before any court or any Governmental Authority shall have been commenced or threatened, no investigation by any Governmental Authority shall have been commenced and no action, suit or proceeding by any Governmental Authority shall have been threatened against the Purchasers or the Loan Parties seeking to restrain, prevent or change the transactions contemplated hereby or questioning the validity or legality of any of such transactions.

(g) Insurance Certificates. On the Closing Date, the Collateral Agent shall have received evidence of insurance complying with the requirements of the Security Agreement for the business and properties of the Loan Parties.

(h) Fees, Etc. On the Closing Date, the Company shall have paid to the Purchasers all reasonable costs, fees and expenses (including, without limitation, reasonable legal fees and expenses) payable to the Purchasers to the extent then due.

(i) Chapter 11 Plan. All conditions to the Effective Date shall have been satisfied or waived in accordance with the terms of the Chapter 11 Plan, other than the issuance of the Term Notes and the funding of the Chapter 11 Plan Payments out of the proceeds of the Initial Advance.

(j) Chapter 11 Plan Payments. The amount of cash needed to fund:

(i) the Administrative Claims Reserve on the Effective Date shall not exceed $1,500,000; and

(ii) the Professional Fee Reserve on the Effective Date shall not exceed $350,000.

(k) Employment and Other Agreements. The Purchasers shall have received copies of all employment, non-compete, non-solicitation, compensation, invention assignment, work-for hire or similar agreements for John Grosso and Johnny Grosso, all of which shall be in form and substance satisfactory to the Collateral Agent.

(l) Notice of Advance. The Company shall have delivered a Notice of Advance to the Purchasers setting forth the amount of the Chapter 11 Plan Payments and the Initial Advance to be funded on the Closing Date.

(m) Consents. All consents, exemptions, authorizations, or other actions by, or notices to, or filings with, Governmental Authorities and other Persons in respect of all Requirements of Law and with respect to those Contractual Obligations of the Loan Parties necessary in connection with the execution, delivery or performance by the Loan Parties, or enforcement against the Loan Parties, of the Transaction Documents to which they are a party shall have been made or obtained and be in full force and effect, and the Purchasers shall have been furnished with appropriate evidence thereof.

(n) SBA Documents. The Purchasers shall have received executed copies of the SBA Documents, all in form and substance satisfactory to the Collateral Agent.

(o) Additional Documents. The Purchasers shall have received each additional document, instrument, legal opinion or other item reasonably requested.

4.2 Conditions to the Holders Obligations to make Additional Advances Following the Closing Date. The obligation for the Holders to fund any Additional Advances following the Closing Date and to perform any obligations in connection therewith shall be subject to the reasonable satisfaction as determined by, or waived by, the Holders of the following conditions on or prior to the applicable Advance Date in accordance with Section 2.1(c); provided, that any waiver of a condition shall not be deemed a waiver of any breach of any representation, warranty, agreement, term or covenant, as specifically set forth elsewhere in this Agreement, or of any misrepresentation by the Company:

(a) Representations and Warranties. The representations and warranties contained in Article 6 hereof shall be true and correct in all material respects at and as of the Advance Date after giving effect to the requested Advance.

(b) Compliance with this Agreement. The Loan Parties shall have performed and complied with all of their agreements and conditions set forth or contemplated herein and the other Transaction Documents in all material respects that are required to be performed or complied with by the Loan Parties on or before the Advance Date, and the Holders shall have received a certificate to the foregoing effect, dated the Advance Date, and executed by the chief executive officer or chief financial officer of the Company on behalf of the Loan Parties.

(c) Financial Covenants. On the applicable Advance Date, the Loan Parties will be in compliance with the financial covenants set forth in Section 8.13, on a pro forma basis after giving effect to the requested Advance.

(d) Defaults and Events of Default. No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the requested Advance.

(e) Revolving Notes Commitment. The aggregate principal amount of all Advances then outstanding, after giving effect to the requested Advance to be made on the Advance Date does not exceed the Revolving Notes Commitment.

(f) Cash on Hand. The Company's Cash on Hand, after giving effect to the requested Advance, shall not exceed $2,000,000.

(g) Effective Date. The Effective Date shall have occurred.

(h) Reaffirmation. The request and acceptance of the Company of the proceeds of any Additional Advance shall be deemed to constitute, as of the applicable Advance Date, (i) a representation and warranty by the Company that all of the conditions in this Section 4.2 have been satisfied, and (ii) a reaffirmation by the Company of the granting and continuance of the Collateral Agent's Liens, on behalf of the Holders, pursuant to the Collateral Documents.

ARTICLE 5
[RESERVED]

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE LOAN PARTIES

The Loan Parties hereby jointly and severally represent and warrant to the Purchasers as of the date hereof as follows:

6.1 Existence and Power. Each Loan Party: (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (b) has all requisite power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently, or is currently proposed to be, engaged; (c) is duly qualified as a foreign entity, licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that the failure to so qualify would not have a Material Adverse Effect; and (d) has the power and authority to execute, deliver and perform its obligations under each Transaction Document to which it is or will be a party and to borrow hereunder. The jurisdictions in which each Loan Party is organized and qualified to do business as of the Closing Date are listed on Schedule 6.1.

6.2 Corporate Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Transaction Document to which it is or will be a party and the consummation of the Transactions: (a) has been duly authorized by all necessary action; (b) do not and will not contravene or violate the terms of the Organizational Documents of such Loan Party or any amendment thereto or any Requirements of Law applicable to such Loan Party or such Loan Party's assets, business or properties; (c) to the knowledge of such Loan Party, do not and will not (i) conflict with, contravene, result in any violation or breach of or default under any material Contractual Obligation of such Loan Party (with or without the giving of notice or the lapse of time or both) other than any right to consent, which consents have been obtained, (ii) create in any other Person a right or claim of termination or amendment of any material Contractual Obligation of such Loan Party, or (iii) require modification, acceleration or cancellation of any material Contractual Obligation of such Loan Party, and (d) do not and will not result in the creation of any Lien (or obligation to create a Lien) against any property, asset or business of such Loan Party (other than Liens securing the Notes).

6.3 Governmental Authorization; Third Party Consents. Except as set forth on Schedule 6.3, no approval, consent, compliance, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person in respect of any Requirements of Law or material Contractual Obligation, and no lapse of a waiting period under any Requirements of Law or material Contractual Obligation, is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of the Transaction Documents to which it is a party or the consummation of the Transactions.

6.4 Binding Effect. Each Loan Party has duly executed and delivered the Transaction Documents to which it is a party and such Transaction Documents constitute the legal, valid and binding obligations of such Loan Party enforceable against it in accordance with their respective terms, except as

enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

6.5 [Reserved].

6.6 OFAC. Neither any Loan Party nor any Affiliate of any Loan Party: (a) is a Sanctioned Person, (b) has any assets in Sanctioned Entities, or (c) derives any operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. The proceeds of the Notes will not be used and have not been used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser, severally and not jointly, hereby represents and warrants as to itself only and not as to any other Purchaser as follows:

7.1 Authorization; No Contravention. The execution, delivery and performance by such Purchaser of this Agreement: (a) is within its power and authority and has been duly authorized by all necessary action; and (b) does not contravene the terms of its organizational documents or any amendment thereof.

7.2 Binding Effect. This Agreement has been duly executed and delivered by such Purchaser and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

7.3 No Legal Bar. The execution, delivery and performance of this Agreement by such Purchaser will not violate any Requirements of Law applicable to it.

7.4 Securities Laws.

(a) The Notes are being or will be acquired by such Purchaser hereunder for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in any transaction which would be in violation of state or federal securities laws or which would require the issuance and sale of the Notes hereunder to be registered under the Securities Act, subject, however, to the disposition of such Purchaser's property being at all times within its control.

(b) Such Purchaser is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(c) Such Purchaser understands that (i) the Notes constitute "restricted securities" under the Securities Act, (ii) the offer and sale of the Notes hereunder is not registered under the Securities Act or under any "blue sky" laws in reliance upon certain exemptions from such registration and that the Company is relying on the representations made herein by such Purchaser in its determination of whether such specific exemptions are available, and (iii) the Notes may not be transferred except pursuant to an effective registration statement under the Securities Act, or under an exemption from such registration available under the Securities Act and under applicable "blue sky" laws or in a transaction exempt from such registration. Such Purchaser acknowledges that: (A) it has no right to require

registration thereof under the Securities Act or any "blue sky" laws (except as otherwise provided in Section 8.15 hereof), and (B) there is not now and is not contemplated to be any public market therefor. As a result, such Purchaser is prepared to bear the economic risk of an investment in the Notes for an indefinite period of time.

(d) Such Purchaser (i) has been furnished with or has had access to all material books and records of the Company and all of its material Contractual Obligations, agreements and documents and (ii) has had an opportunity to ask questions of, and receive answers from, management and representatives of the Company and which representatives have made available to them such information regarding the Company and its current respective businesses, operations, assets, finances, financial results, financial condition and prospects in order to make a fully informed decision to purchase and acquire the Notes. Such Purchaser has generally such knowledge and experience in business and financial matters, and with respect to investments in securities of privately held companies, as to enable it to understand and evaluate the risks of an investment in the Notes and form an investment decision with respect thereto. The foregoing, however, does not limit or modify the representations and warranties set forth in Article 6 of this Agreement or in any other Transaction Document or the right of such Purchaser to rely thereon.

(e) Such Purchaser understands that the exemption from registration of resales of the Notes afforded by Rule 144 (the provisions of which are known to such Purchaser) promulgated pursuant to the Securities Act depends on the satisfaction of various conditions, including the requirement that the Company has been subject to the reporting requirements of Section 13 or Section 15 of the Securities Act for at least ninety (90) days and that, if applicable, Rule 144 affords the basis for such sales only in limited amounts and that the Company does not now qualify under Rule 144 and may not ever.

7.5 Governmental Authorization; Third Party Consent. No approval, consent, compliance, exemption or authorization of any Governmental Authority or any other Person in respect of any Requirements of Law, and no lapse of a waiting period under Requirements of Law, is necessary or required in connection with the execution, delivery or performance by it or enforcement against such Purchaser of this Agreement.

ARTICLE 8
AFFIRMATIVE COVENANTS

Until the payment of all principal of and interest on the Notes, the Loan Parties hereby jointly and severally covenant and agree with the Holders as follows:

8.1 Delivery of Financial and Other Information. Holdings will, and will cause its Subsidiaries to, maintain a system of accounting established and administered in accordance with GAAP (including reflecting in its financial statements adequate accruals and appropriations to reserves). In addition, Holdings shall deliver or cause to be delivered to each Holder the following:

(a) Annual Financial Statements. Within one hundred twenty (120) days after the close of each Fiscal Year, an unqualified audit report certified by independent certified public accountants selected by Holdings and reasonably acceptable to Required Holders, prepared in accordance with GAAP, including consolidated balance sheets of Holdings and its Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income, retained earnings and cash flows for such Fiscal Year, all such financial statements to be prepared in accordance with GAAP and accompanied by any management letter prepared by said accountants.

(b) Monthly Financial Statements. Within thirty (30) days after the close of each calendar month, an unaudited consolidated balance sheet of Holdings and its Subsidiaries and the related consolidated statements of income and cash flows for such month, and for the portion of Holdings' Fiscal Year ended at the end of such month, setting forth in each case in comparative form, the figures for the corresponding month, the corresponding portion of Holdings' previous Fiscal Year (as applicable) and the corresponding portion of Holdings' Fiscal Year as set forth in the budget provided to the Holders, in each case to the extent applicable, in reasonable detail and reasonably satisfactory in form to the Required Holders and all prepared in accordance with GAAP (subject to year-end adjustments and absence of footnotes) and certified by an officer of Holdings.

(c) Quarterly Financial Statements. For each month that is also the end of a Fiscal Quarter (commencing with the Fiscal Quarter ending on March 31, 2018), within forty-five (45) days after the end of Holdings' Fiscal Quarter, an unaudited consolidated balance sheet of Holdings and its Subsidiaries and the related consolidated statements of income and cash flows for such Fiscal Quarter, and for the portion of Holdings' Fiscal Year ended at the end of such Fiscal Quarter, setting forth in each case in comparative form, the figures for the corresponding Fiscal Quarter and the corresponding portion of Holdings' previous Fiscal Year (as applicable), in each case to the extent applicable, in reasonable detail and reasonably satisfactory in form to the Required Holders and all prepared in accordance with GAAP (subject to year-end adjustments and absence of footnotes) and certified by an officer of Holdings.

(d) Together with the annual financial statements required under Sections 8.1(a) and the quarterly financial statements required under Section 8.1(c), a compliance certificate (in the form attached hereto as Exhibit E, a "***Compliance Certificate***") signed by an officer of Holdings (i) evidencing the Loan Parties' compliance with the financial covenants contained in Section 8.13 hereof (if applicable), and (ii) stating whether there exists on the date of such certificate any Default or Event of Default and, if any Default or Event of Default then exists, setting forth the details thereof and the action any Loan Party is taking or propose to take with respect thereto; provided, however, that all calculations including any period prior to the Closing Date shall be based on the financial information with respect to the Debtors for such period and the Loan Parties provided on or prior to the Closing Date and with such historical adjustments as set forth in the respective financial definitions.

(e) Promptly upon receipt thereof, any reports (including, without limitation, any management letters and/or reports) submitted to any Loan Party or any Subsidiary (other than reports previously delivered pursuant to Section 8.1(a) and Section 8.1(b) above) by independent accountants in connection with any annual, interim or special audit made by them of the books of such Loan Party or Subsidiary.

(f) Promptly and in any event within five (5) Business Days after any Loan Party receives notice or otherwise becomes aware that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer of such Loan Party, describing said Reportable Event and the action which such Loan Party propose to take with respect thereto.

(g) Promptly and in any event within five (5) Business Days after receipt by any Loan Party, a copy of (i) any written notice or claim to the effect that such Loan Party or any of its Subsidiaries is or could reasonably be expected to be liable in any material amount to any Person as a result of the release by such Loan Party, any of its Subsidiaries or any other Person of any toxic or Hazardous Materials into the environment and (ii) any written notice alleging any violation of any Environmental Law by such Loan Party or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

(h) As soon as available, but in any event no later than thirty (30) days prior to the beginning of each Fiscal Year of the Loan Parties, consolidated balance sheet, income statement, and cash flow budgets and projections for Holdings and its Subsidiaries for such Fiscal Year on a quarter-by-quarter basis, all in form and detail reasonably acceptable to the Required Holders.

(i) Promptly after the filing thereof, copies of the annual federal and state income Tax Returns (and any requests for extension with respect thereto) of Holdings and each of its Subsidiaries for the immediately preceding year and, if requested by the Required Holders, copies of all material reports filed with any federal, state or local Governmental Authority.

(j) Promptly upon receipt by any Loan Party or any Subsidiary, notice of any default, oral or written, given to any such Person by any other creditor for Debt in excess of $50,000.

(k) Promptly upon obtaining knowledge thereof, written notice of (i) any termination of any material License and (ii) any claim, litigation, suit or administrative proceeding affecting any Loan Party or any Subsidiary, whether or not the claim is covered by insurance, and of any litigation, suit or administrative proceeding, which in any such case affects the Collateral or which could reasonably be expected to have a Material Adverse Effect.

(l) If any Loan Party or any Subsidiary shall be required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act, promptly upon its becoming available, one copy of each financial statement, report, notice or proxy statement sent by any such Person to stockholders generally, and, a copy of each annual, periodic or current report filed by any such Person with the Commission pursuant to such Sections, and any registration statement, or prospectus in respect thereof, filed by any such Person with any securities exchange or with federal or state securities and exchange commissions or any successor agency; provided, however, that nothing in this Section 8.1(k) shall require the Loan Parties or any of their Subsidiaries to make any filing under the Securities Act or the Exchange Act which such Loan Parties or their Subsidiaries are not otherwise obligated to make.

(m) Furnish Collateral Agent with immediate written notice in the event that (i) the Company or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which the Company or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) the Company or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which the Company or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan together with all communications received by the Company or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which the Company or any member of the Controlled Group was not previously contributing shall occur, (v) the Company or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) the Company or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) the Company or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) the Company or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or

payment; or (ix) the Company or any member of the Controlled Group knows that (A) a Multiemployer Plan has been terminated, (B) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (C) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

(n) Promptly and in any event within five (5) Business Days after receipt by any Loan Party or any Subsidiary, notice of any payment default, oral or written, given to such Loan Party or such Subsidiary by any lessor in connection with any lease by such Loan Party or such Subsidiary of real property.

(o) Promptly and in any event within five (5) Business Days, notice of any change in location of any store operated by any Loan Party.

(p) Such other information (including non-financial information) as any Holder may from time to time reasonably request.

8.2 Use of Proceeds. The Loan Parties shall use the proceeds of the sale of the Revolving Notes hereunder only as follows: (i) to fund the Chapter 11 Plan Payments, (ii) for the payment of fees and expenses in connection with the transactions contemplated hereunder and in the other Transaction Documents, and (iii) for general working capital requirements of the Loan Parties.

8.3 Notice of Default. Each Loan Party will give prompt notice in writing to the Holders upon becoming aware of the following: (a) the occurrence of any Default or Event of Default under this Agreement and specify the nature and period of existence thereof and what action such Loan Party is taking (and proposes to take) with respect thereto, (b) [reserved] and (c) any development or other information outside the ordinary course of business of such Loan Party or any of its Subsidiaries and excluding matters of a general economic, financial or political nature which could reasonably be expected to have a Material Adverse Effect.

8.4 Conduct of Business. Each Loan Party will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted to the extent that the failure to maintain such qualification would not reasonably be expected to have a Material Adverse Effect.

8.5 Taxes and Claims. Each Loan Party will, and will cause each of its Subsidiaries to, timely file United States federal and state and other material Tax Returns required by law and which Tax Returns shall be complete and correct in all material respects and pay when due all Taxes of such Loan Party or such Subsidiary, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP, which deferment of payment is permissible so long as no Lien other than a lien permitted hereunder has been entered and such Loan Party's and its Subsidiaries' title to, and its right to use, its Properties are not materially adversely affected thereby.

8.6 Insurance.

(a) Each Loan Party will, and will cause each of its Subsidiaries to, maintain insurance in such form and with such companies as are reasonably satisfactory to the Purchaser, on all its

Property in such amounts and covering such risks as is consistent with sound business practice, and maintain such insurance as is required by the terms of any Collateral Document. Each Loan Party will, and will cause each of its Subsidiaries to, furnish to the Holders upon request full information as to the insurance carried by it.

(b) Each Loan Party will, and will cause each of its Subsidiaries to, at all times keep its real and personal Property which is subject to the Lien of the Collateral Agent insured and cause such insurance relating to such Property or business to name the Collateral Agent on behalf of the Holders as an additional insured and loss payee, as appropriate. At or prior to the Closing, each Loan Party shall furnish certificates of insurance issued on applicable Acord Forms for such Loan Party. Each Loan Party will, and will cause each of its Subsidiaries to, notify the Holders, immediately, upon receipt of a notice of termination, cancellation, or non-renewal from its insurance company of any such policy or the Key Man Life Insurance Policy.

(c) If any Loan Party or any of its Subsidiaries shall fail to maintain all insurance in accordance with this Section 8.6 or Section 8.17 or to timely pay or cause to be paid the premium(s) on any such insurance, or if any Loan Party shall fail to deliver all certificates with respect thereto, the Holders shall have the right (but shall be under no obligation), upon prior written notice to such Loan Party or such Subsidiary, to procure such insurance or pay such premiums, and such Loan Party agrees to reimburse the Holders, on demand, for all costs and expenses relating thereto.

8.7 Compliance with Laws. Each Loan Party will, and will cause each of its Subsidiaries to, comply with any and all Requirements of Law to which it may be subject including, without limitation, all Environmental Laws and obtain any and all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its Property or to the conduct of its businesses, except where failure to do so could not reasonably be expected to have a Material Adverse Effect. Each Loan Party will, and will cause each of its Subsidiaries to, timely satisfy all material assessments, fines, costs and penalties imposed (after exhaustion of all appeals, provided a stay has been put in effect during such appeal) by any Governmental Authority against such Person or any Property of such Person.

8.8 Maintenance of Properties. Each Loan Party will, and will cause each of its Subsidiaries to, do all things necessary to maintain, preserve, protect and keep its Property (other than Property that is obsolete, surplus, or no longer used or useful in the ordinary conduct of its business) in good repair, working order and condition, make all necessary and proper repairs, renewals and replacements such that its business can be carried on in connection therewith and be properly conducted at all times and pay and discharge when due the cost of repairs and maintenance to its Property, and pay all rentals when due for all real estate leased by such Person.

8.9 Audits and Inspection. Each Loan Party will, and will cause each of its Subsidiaries to, permit any of the representatives of the Collateral Agent, at reasonable times during normal business hours and upon reasonable prior notice, to visit and inspect any of its Property, books of account, records and reports to examine, audit and make copies thereof, and to discuss its affairs, finances and accounts with, and to be advised as to the same by, its officers, employees and independent certified public accountants at such reasonable times and intervals as the Holders may designate, all at such Loan Party's expense, plus the Holders' reasonable out-of-pocket expenses (including without limitation any travel expenses).

8.10 Issue Taxes. Each Loan Party shall pay all stamp duty or other such issuance Taxes (other than Taxes based upon or measured by the Holders' income or revenues or any personal property Tax), if any, in connection with the issuance of the Notes, excluding, for the avoidance of doubt, any income Tax.

8.11 Employee Benefit Plans. Each Loan Party will, and will cause each of its Subsidiaries to, (a) keep in full force and effect any and all Plans which are presently in existence or may, from time to time, come into existence under ERISA and not withdraw from any such Plans, unless such withdrawal can be effected or such Plans can be terminated without liability to such Loan Party or its Subsidiaries, (b) make contributions to all such Plans in a timely manner and in a sufficient amount to comply with the standards of ERISA, including, without limitation, the minimum funding standards of ERISA, (c) comply in all material respects with all applicable requirements of ERISA, (d) notify the Holders promptly upon receipt by such Loan Party or any Subsidiary of any notice concerning the imposition of any withdrawal liability or of the institution of any proceeding or other action which may result in the termination of any such Plans or the appointment of a trustee to administer such Plans, (e) promptly advise the Holders of the occurrence of any Reportable Event or prohibited transaction (as defined in ERISA) with respect to any such Plans, and (f) amend any Plan that is intended to be qualified within the meaning of Section 401 of the Code to the extent necessary to keep the Plan qualified and to cause the Plan to be administered and operated in a manner that does not cause the Plan to lose its qualified status.

8.12 Environmental Covenants.

(a) The Loan Parties shall, and shall cause each of its Subsidiaries to, (i) maintain compliance with any applicable Environmental Laws, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect, and (ii) dispose of any and all Hazardous Materials generated at or by such Loan Party's or any Subsidiary's Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Law, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect.

(b) In the event any Loan Party or its Subsidiaries has direct or indirect knowledge of, or obtains, gives or receives notice of any visible signs of releases, spills, discharges, leaks or disposal (collectively referred to as "***Releases***") or threat of Release of a reportable quantity of any Hazardous Materials at or by such Loan Party's or any Subsidiary's Property (any such event being hereinafter referred to as a "***Hazardous Discharge***") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at or caused by such Loan Party's or any Subsidiary's Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting or caused by such Loan Party's or any Subsidiary's Property or such Loan Party's or its Subsidiaries' interest therein (any of the foregoing is referred to herein as an "***Environmental Complaint***") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which the Property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "***Authority***"), then each Loan Party shall, within five (5) Business Days, give written notice of same to the Holders detailing facts and circumstances of which such Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow the Holders to protect their security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon the Purchasers or any Holder with respect thereto.

(c) Each Loan Party shall promptly forward to the Holders copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Materials at any other site owned, operated or used by such Loan Party or any Subsidiary to dispose of Hazardous Materials and shall continue to forward copies of correspondence between such Loan Party or any Subsidiary and the Authority regarding such claims to the Holders until the claim is settled. Each Loan Party shall promptly forward to the Holders copies of all documents and reports concerning a Hazardous Discharge that such Loan Party or any

Subsidiary are required to file under any Environmental Laws. Such information is to be provided solely to allow the Holders to protect the Holders' security interest in and Lien on the Collateral.

(d) The Loan Parties shall respond promptly to any Hazardous Discharge or Environmental Complaint that could in either case reasonably be expected to result in a Material Adverse Effect, and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral to any Lien other than a Permitted Lien. If the Loan Parties shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or the Loan Parties shall fail to comply with any of the requirements of any Environmental Laws, which failure could reasonably be expected to result in a Material Adverse Effect, the Holders may, but without the obligation to do so, for the sole purpose of protecting the Holders' interest in the Collateral: (A) give such notices or (B) enter onto such Loan Party's or any Subsidiary's Property (or authorize third parties to enter onto the Property) and take such actions as the Required Holders (or such third parties as directed by the Required Holders) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by the Holders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate shall be paid upon demand by Loan Parties, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between the Holders and the Company or the other Loan Parties.

(e) The Loan Parties shall defend and indemnify the Purchasers and any subsequent Holders and hold the Purchaser, subsequent Holders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred by the Purchasers or subsequent Holders under or on account of any Environmental Laws, including the assertion of any Lien thereunder, with respect to any Hazardous Discharge, including any loss of value of the Collateral as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of the Purchasers or any subsequent Holder. The Loan Parties' obligations under this Section 8.12 shall arise upon the discovery of the presence of any Hazardous Discharge, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials. Each Loan Party's and its Subsidiaries' obligations and the indemnifications hereunder shall survive the termination of this Agreement.

8.13 Financial Covenants. Holdings and its Subsidiaries, on a consolidated basis, shall:

(a) Maximum Leverage Ratio. Maintain a Leverage Ratio as of the last day of each Fiscal Quarter of not more than the ratio set forth across from such date below:

Fiscal Quarter Ending	Leverage Ratio
December 31, 2018	3.25:1.00
March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019	3.00:1.00
March 31, 2020 and thereafter	2.50:1.00

(b) Minimum Fixed Charge Coverage Ratio. Maintain a Fixed Charge Coverage Ratio for the immediately preceding four Fiscal Quarter Period as of the last day of each Fiscal Quarter of not less than 1.20:1.00.

(c) Minimum EBITDA. Achieve cumulative EBITDA for the Fiscal Year ending December 31, 2018 as of the end of each month thereof as set forth below:

Month	Minimum EBITDA
February 2018	$639,339
March 2018	$1,487,712
April 2018	$2,483,870
May 2018	$2,870,359
June 2018	$2,510,809
July 2018	$2,154,730
August 2018	$1,946,843
September 2018	$1,527,166
October 2018	$1,145,435
November 2018	$2,789,914
December 2018	$5,422,018

8.14 Delivery of Information by Holders. Each Holder is hereby authorized to deliver a copy of any financial statement or other information made available by the Loan Parties or their Subsidiaries in connection herewith to any regulatory authority having jurisdiction over such Holder, pursuant to any request therefor by such regulatory authority, and may further divulge to any assignee or purchaser of any portion of the Notes or any prospective assignee or purchaser of any portion of the Notes, all information, and furnish to such Person copies of any reports, financial statements, certificates, and documents obtained under any provision of this Agreement, or related agreements and documents, provided that such prospective assignee or purchaser shall agree to maintain the confidentiality of such information.

8.15 Execution of Supplemental Documents. Execute and deliver to Collateral Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Collateral Agent may reasonably request, in order that the full intent of this Agreement or the Security Agreement, as applicable, may be carried into effect.

8.16 Acquisition of Real Property. Each Loan Party will, and will cause each of its Subsidiaries to, notify the Collateral Agent within thirty (30) days after the acquisition of any owned or leased real property by any Loan Party or any Subsidiary and, within sixty (60) days following written request by the Collateral Agent, such Loan Party or such Subsidiary will execute and deliver, or will cause to be executed and delivered, such mortgages, deeds of trust, leasehold deeds of trust, title insurance policies, environmental reports, surveys, landlord waivers and other documents reasonably requested by the Collateral Agent in connection with granting and perfecting a first priority Lien on such

real property in favor of the Collateral Agent on behalf of the Holders, all in form and substance reasonably satisfactory to the Collateral Agent.

8.17 Key Man Life Insurance. Commencing not later than sixty (60) days after the Closing Date (unless such time period is extended by the Collateral Agent in its sole discretion), the Company shall obtain and maintain a key man life insurance policy for the benefit of the Company in the amount of at least $5,000,000 on John Grosso (the "***Key Man Life Insurance Policy***"), which such policy shall be collaterally assigned to the Collateral Agent, for the benefit of the Holders. Once the Key Man Life Insurance Policy is in place (and collaterally assigned to the Collateral Agent) the Company shall make all payments and perform all obligations required pursuant to the Key Man Life Insurance Policy so that the Key Man Life Insurance Policy remains in good standing and in place, all in form and substance satisfactory to the Collateral Agent.

8.18 Board Observer. Holdings shall give the Holders notice of (in the same manner as notice is given to directors), and permit (a) one Person designated by the Collateral Agent to attend as observer, all meetings of the Board and the board of directors (or equivalent governing body) of each Subsidiary and all executive and other committee meetings of such boards and shall provide to the Holders the same information, and access thereto, provided to members of each such board and each such committee; provided, that Holdings may exclude any such observer from any portion of a meeting, and Holdings shall not be obligated to deliver written information to such observer, if attendance at such portion of a meeting or delivery of such information would impair any legal privilege available to Holdings. The Board shall meet at least once every fiscal quarter and at least one of such meetings during any calendar year shall be held in person at the corporate headquarters of the Company. The reasonable travel expenses incurred by each such designee of the Holders in attending all board or committee meetings shall be reimbursed by the Company.

8.19 Further Assurances. Each Loan Party will, and will cause each of its Subsidiaries to, take any action reasonably requested by the Required Holders in order to effectuate the purposes and terms contained in this Agreement and any of the Note Documents.

ARTICLE 9
NEGATIVE COVENANTS

Until the payment of all principal of and interest on the Notes, the Loan Parties hereby jointly and severally covenant and agree with the Holders as follows:

9.1 Limitations on Debt. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Debt, except:

(a) the Obligations;

(b) Debt existing on the date hereof and set forth on Schedule 9.1(b);

(c) Capitalized Lease Obligations permitted by Section 9.11;

(d) [reserved];

(e) unsecured Debt of any Loan Party to any other Loan Party so long as such Debt is subordinate to the Obligations and pledged to the Collateral Agent pursuant to the Note Documents; or

(f) other Debt in an amount not to exceed $100,000 at any time outstanding.

9.2 Liens. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create or permit to exist any Lien on any of its real or personal properties, assets or rights of whatsoever nature (whether now owned or hereafter acquired), except:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as Liens of landlords, carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by law) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any deposits or advances for borrowed money or the deferred purchase price of property or services, and, in each case, for which it maintains adequate reserves;

(c) Liens on assets arising out of pledge or deposits under workers' compensation, unemployment insurance, old age pension, social security, retirement benefits or similar legislation in the ordinary course of business consistent with past practice;

(d) [Reserved];

(e) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Loan Parties;

(f) Liens securing the Obligations; and

(g) Liens arising pursuant to Capitalized Lease Obligations permitted by Section 9.11.

9.3 Restricted Payments. Except for (i) Tax Distributions as required by Article III of the Holdings LLC Agreement or similar provisions in the Organizational Documents of the Company, (ii) so long as no Event of Default has occurred and is continuing or would result from the payment thereof, payment of the Preferred Dividend (including dividends from the Company and/or Subsidiaries of Holdings to each other and to Holdings in connection therewith) and (iii) dividends and distributions to the Company or any Subsidiary of Holdings and dividends or distributions to Holdings to the extent necessary to permit Holdings to maintain its legal existence and to pay reasonable out-of-pocket general administrative costs and expenses incurred in connection therewith or in connection with any dividend or distribution permitted under this Section 9.3, no Loan Party shall (a) declare or pay any dividends on any of its Capital Stock (other than dividends payable solely in additional Capital Stock), (b) purchase or redeem any Capital Stock, (c) make any other distribution to holders of its Capital Stock (other than the issuance of Capital Stock in respect thereof, to directors, officers and employees), (d) prepay, purchase or redeem any other Debt that is subordinated to the Obligations, or (e) set aside funds for any of the foregoing.

9.4 Loans. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, make any loans or pay any advances of any nature whatsoever to any Person, except advances in the ordinary course of business to (a) vendors, suppliers and contractors and (b) officers, managers and employees for travel and other business expenses in accordance with the policies of such Loan Party or such Subsidiary.

9.5 Investments. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, make or suffer to exist any investments or commitments therefor, without the Required Holders' prior written consent, except (a) short term obligations of, or fully guaranteed by, the United

States of America, commercial paper rated A-1 or better by Standard and Poor's Rating Services or P-1 or better by Moody's Investor Services, Inc., demand deposit accounts maintained in the ordinary course of business, and certificates of deposit issued by and time deposits with domestic commercial banks having capital and surplus in excess of $100,000,000; (b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sales of goods or services to unaffiliated third parties in the ordinary course of business; (c) investments received in connection with any Insolvency Proceedings in respect of any customers, suppliers or clients of any Loan Party; and (d) investments in the Subsidiaries existing on the date hereof.

9.6 Mergers, Consolidations, Sales. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, without the prior written consent of the Required Holders, be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, except in the ordinary course of its business, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any receivables, unless in connection with any such transaction all amounts owing under the Notes are paid in full. Notwithstanding the foregoing provisions of this Section 9.6, (a) any Subsidiary of the Company may be merged or consolidated with or into the Company and (b) any Subsidiary of the Company may sell, lease, transfer or otherwise dispose of its Property (upon voluntary liquidation or otherwise) to the Company.

9.7 Subsidiaries. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create any additional Subsidiary or invest in or acquire minority interests in any other entity without the prior written consent of the Collateral Agent. Subject to the preceding sentence, if any Loan Party creates, forms or acquires any Subsidiary on or after the Closing Date, such Loan Party shall notify the Holders of the creation or acquisition of such Subsidiary and:

(a) Additional Domestic Subsidiaries. With respect to the formation or acquisition of a domestic Subsidiary of any Loan Party, will promptly thereafter (and in any event within thirty (30) days after such creation or acquisition), cause such Person to (i) grant to the Collateral Agent for the ratable benefit of the Holders, a perfected security interest in, and Lien on, all Collateral owned by such Person by delivering to the Collateral Agent a duly executed supplement to each Collateral Document or such other document as the Collateral Agent shall deem appropriate for such purpose and comply with the terms of each Collateral Document, (ii) deliver to the Collateral Agent, such original Capital Stock or other certificates and stock or other transfer powers evidencing the Capital Stock of such Person (if such Capital Stock is certificated), (iii) guarantee the payment and performance of the Obligations by delivering to the Collateral Agent a duly executed guaranty agreement or such other document as the Collateral Agent shall deem appropriate for such purpose, (iv) deliver to the Collateral Agent such documents and certificates referred to in Section 4.1 as may be reasonably requested by the Collateral Agent, (v) deliver to the Collateral Agent such updated schedules to the Note Documents as requested by the Collateral Agent with regard to such Person and (vi) deliver to the Collateral Agent such other documents as may be reasonably requested by the Collateral Agent, in each case, in form, content and scope reasonably satisfactory to the Collateral Agent.

(b) Additional Foreign Subsidiaries. With respect to the formation or acquisition of a first-tier foreign Subsidiary of any Loan Party, will promptly thereafter (and in any event within forty-five (45) days after such creation or acquisition), cause (i) such Loan Party to deliver to the Collateral Agent Collateral Documents pledging sixty-five percent (65%) of the total outstanding Capital Stock of such new foreign Subsidiary and a consent thereto executed by such new foreign Subsidiary (including, without limitation, if applicable, original stock certificates (or the equivalent thereof pursuant to the Requirements of Law and practices of any relevant foreign jurisdiction) evidencing the Capital Stock of such new foreign Subsidiary, together with an appropriate undated stock power for each certificate duly executed in blank by the registered owner thereof), (ii) such Person to deliver to the Collateral Agent such

documents and certificates referred to in Section 4.1 as may be reasonably requested by the Collateral Agent, (iii) such Person to deliver to the Collateral Agent such updated schedules to the Note Documents as requested by the Collateral Agent with regard to such Person and (iv) such Person to deliver to the Collateral Agent such other documents as may be reasonably requested by the Collateral Agent, in each case, in form, content and scope reasonably satisfactory to the Collateral Agent.

9.8 Amendment to Organizational Documents. No Loan Party will amend, modify or waive any term or material provision of such Loan Parties' Organizational Documents unless (a) required by law or (b) such amendment, modification or waiver could not reasonably be expected to have a material adverse effect on the Holders' rights under the Transaction Documents (including in their capacity as holders of the Capital Stock of Holdings) or any Loan Party's obligations under the Transaction Documents, and the Loan Parties provide the Holders prior written notice of such amendment, modification or waiver.

9.9 Restrictive Agreements. No Loan Party will be or become, or cause or permit any Subsidiary to be or become, a party to any contract or agreement which at the time of becoming a party to such contract or agreement materially limits such Person's ability to perform under this Agreement or under any other Transaction Document without the prior written consent of the Holders.

9.10 Use of Holders' Names. No Loan Party shall, or permit any Subsidiary to, use any Holder's name in connection with any of its business operations without the prior written consent of such Holder.

9.11 Capital Expenditures. No Loan Party shall make, or cause or permit any Subsidiary to make, any Capital Expenditure or enter into any Capitalized Lease if the sum of (a) the aggregate amount of all Capital Expenditures (including the Capital Expenditure in question) made by the Loan Parties and their Subsidiaries, determined on a consolidated basis, during any Fiscal Year plus (b) the aggregate amount of all expenditures under Capitalized Leases (including the Capitalized Lease in question) made or required to be made by the Loan Parties and their Subsidiaries, determined on a consolidated basis during such Fiscal Year would exceed (i) for all maintenance Capital Expenditures, $1,000,000 and (ii) for all other Capital Expenditures and Capital Leases, the amount set forth in the annual budget approved by the Board and delivered to the Holders pursuant to Section 8.1(h).

9.12 Business of Holdings. Holdings shall not engage in any business, incur any Debt, liability or obligation or own any asset other than the ownership of the Capital Stock of the Company and the performance of its obligations set forth in the Transaction Documents. From and after the Closing Date, Holdings shall not be party to any Contractual Obligation (other than the Transaction Documents), including, without limitation, any Contractual Obligation with any customer or supplier in connection with the Loan Parties' business.

9.13 Transactions with Affiliates; Management Compensation.

(a) No Loan Party shall, nor permit any of its Subsidiaries to, directly or indirectly enter into or permit to exist any material transaction with any Affiliate of any Loan Party or any of its Subsidiaries except for the transactions set forth on Schedule 9.13 or other transactions that are in the ordinary course of any Loan Parties' and its Subsidiaries' business, upon fair and reasonable terms that are no less favorable to such Loan Party or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person.

(b) Without limitation of the foregoing, each Loan Party shall strictly enforce all non-compete or similar agreements between such Loan Party and its employees, officers, directors and

Affiliates, and shall not permit any such Person to conduct any business in competition with or relating to the business of any Loan Party except through and for the benefit of the Loan Parties.

9.14 Amendment to Transaction Documents. No Loan Party or any Subsidiary thereof shall amend or modify (or permit the modification or amendment of) any term or provision of any Transaction Document without the prior written consent of the Required Holders.

9.15 Additional Negative Pledges. Create or otherwise cause or suffer to exist or become effective, directly or indirectly, (a) any prohibition or restriction (including any agreement to provide equal and ratable security to any other Person in the event a Lien is granted to or for the benefit of Collateral Agent and the Holders) on the creation or existence of any Lien upon the assets of the Company, other than Permitted Liens or (b) any Contractual Obligation which may restrict or inhibit Collateral Agent's rights or ability to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

9.16 Use of Proceeds. No Loan Party shall use any proceeds of the sale of the Notes hereunder to, directly or indirectly, purchase or carry any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any "margin stock" in violation of the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

9.17 Fiscal Year and Accounting Changes. No Loan Party shall change its fiscal year from December 31 or make any significant change (a) in accounting treatment and reporting practices except as required by GAAP or (b) in tax reporting treatment except as required by law.

ARTICLE 10
[RESERVED]

ARTICLE 11
EVENTS OF DEFAULT

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "***Event of Default***":

(a) Default in the payment, after such amounts become due, of the principal of the Notes (whether at redemption, upon acceleration or otherwise);

(b) Default in the payment, within three (3) Business Days after such amounts become due, of the interest on the Notes (whether at redemption, upon acceleration or otherwise) or any other amount payable by any Loan Party hereunder or under any of the Note Documents;

(c) Any representation, warranty, or financial statement made by or on behalf of any Loan Party in any of the Transaction Documents, or any document contemplated by the Transaction Documents, is incorrect in any material respect (or in any respect if such representation, warranty, or financial statement is by its terms already qualified as to materiality) when made (or deemed made);

(d) Failure by Holdings or any of its Subsidiaries to comply with any term, covenant or provision contained in Sections 8.2, 8.13 or 8.18 or Article 9 of this Agreement;

(e) Failure by any Loan Party to comply with or to perform any other provision of this Agreement (and not constituting an Event of Default under any other provision of this Article 11) and such failure continues unremedied for a period of thirty (30) days (or such longer period as may be agreed

to by the Collateral Agent) after the earlier of (i) written notice thereof is received by the Borrowers in accordance with Section 13.2 or (ii) a Loan Party obtains knowledge of such failure;

(f) Failure of any Loan Party or any Subsidiary to pay within five (5) days from the date due any payments under any Debt exceeding $100,000; or the default by such Loan Party or any Subsidiary in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any agreement under which any such Debt exceeding $100,000 was created or is governed (after the expiration of any applicable cure period, if any), or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Debt to cause, such Debt to become due prior to its stated maturity; or any such Debt of any Loan Party or any Subsidiary shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof;

(g) After the passing of any notice and opportunity to cure provided in such agreement, default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by any Loan Party or any Subsidiary with respect to any material purchase or lease of goods or services of $100,000 or more;

(h) Any Loan Party or any Subsidiary (i) ceases or fails to be solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing;

(i) Any involuntary Insolvency Proceeding is commenced or filed against any Loan Party or any Subsidiary, or any writ, judgment, warrant of attachment, warrant of execution or similar process is issued or levied against a substantial part of any Loan Party's or Subsidiary's properties, and such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, warrant of execution or similar process shall not be released, vacated or fully bonded within sixty (60) days after commencement, filing or levy; (ii) any Loan Party or any Subsidiary admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Loan Party or any Subsidiary acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor) or other similar Person for itself or a substantial portion of its property or business;

(j) One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against a Loan Party or any Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), as to any single or related series of transactions, incidents or conditions, of $100,000 or more, and the same shall remain unvacated and unstayed pending appeal for a period of thirty (30) days after the entry thereof;

(k) Any non-monetary judgment, order or decree is entered against a Loan Party or any Subsidiary which has or would reasonably be expected to have a Material Adverse Effect, and there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(l) Any Collateral Document shall cease to be in full force and effect; or any Loan Party or any Person by, through or on behalf of any Loan Party, shall contest the validity or enforceability of any Collateral Document;

(m) The occurrence of a Change of Control;

(n) Any Material Adverse Effect occurs;

(o) The Security Agreement shall fail to secure a valid and perfected first priority lien on any Collateral (as defined in the Security Agreement), including, without limitation, one hundred percent (100%) of the Capital Stock of the Company and any other Subsidiary of Holdings (subject to any grace period set forth in Section 9.7); or

(p) the Effective Date does not occur within one (1) Business Day following the Closing Date.

11.2 Acceleration. If an Event of Default occurs under Section 11.1(g), (h) or (i), then the outstanding principal of and interest on the Notes shall automatically become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived. If any other Event of Default occurs and is continuing, the Required Holders, by written notice to the Company, may declare the principal of and interest on the Notes to be due and payable immediately. Upon any such declaration of acceleration, such principal and interest shall become immediately due and payable, each holder of any Note shall be entitled to exercise all of its rights and remedies hereunder and under its Note whether at law or in equity.

11.3 Set-Off. Upon the occurrence and during the continuation of an Event of Default, in addition to all other rights and remedies that may then be available to any Holder of Notes, each such Holder is hereby authorized at any time and from time to time, without notice to the Company (any such notice being expressly waived by the Company) to set off and apply any and all indebtedness at any time owing by such Holder to or for the credit or the account of the Company or its Subsidiaries against all amounts which may be owed to such Holder by the Company or its Subsidiaries in connection with this Agreement or any Notes. If any Holder of Notes shall obtain from any Company payment of any principal of or interest on any Note or payment of any other amount under this Agreement or any Note held by it or any other Note Document through the exercise of any right of set-off, and, as a result of such payment, such Holder shall have received a greater percentage of the principal, interest or other amounts then due hereunder by the Company to such Holder than the percentage received by any other Holders, it shall promptly make such adjustments with such other Holders from time to time as shall be equitable, to the end that all the Holders of Notes shall share the benefit of such excess payment (net of any expenses which may be incurred by such Holder in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal and/or interest on the Notes or other amounts (as the case may be) owing to each of the Holders of the Notes. To such end all the Holders of the Notes shall make appropriate adjustments among themselves if such payment is rescinded or must otherwise be restored. Any Holder of any Note taking action under this Section 11.3 shall promptly provide notice to the Company of any such action taken; provided, that the failure of such Holder to provide such notice shall not prejudice its rights hereunder.

11.4 Cumulative Remedies. The enumeration of the rights and remedies of the Collateral Agent and the Holders set forth in this Agreement is not intended to be exhaustive and the exercise by the Collateral Agent and/or the Holders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Note Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Collateral Agent or any Holder in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Company, the Collateral Agent and the Holders or their

respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Note Documents or to constitute a waiver of any Event of Default.

ARTICLE 12
INDEMNIFICATION

12.1 Indemnification. In addition to all other sums due hereunder or provided for in this Agreement, Holdings and its Subsidiaries, jointly and severally, shall indemnify and hold harmless each Purchaser and its Affiliates and their respective officers, directors, agents, employees, Subsidiaries, partners, members, attorneys, accountants and controlling persons (each, an "***Indemnified Party***") to the fullest extent permitted by law from and against any and all losses, claims, damages, expenses (including, without limitation, reasonable fees, disbursements and other charges of counsel and costs of investigation incurred by an Indemnified Party in any action or proceeding between Holdings or any of its Subsidiaries and such Indemnified Party (or Indemnified Parties) or between an Indemnified Party (or Indemnified Parties) and any third party or otherwise) or other liabilities or losses (collectively, "***Liabilities***"), in each case resulting from or arising out of any breach of any representation or warranty, covenant or agreement of Holdings or any of its Subsidiaries in this Agreement or any other Note Document, including without limitation, the failure to make payment when due of amounts owing pursuant to this Agreement or any other Note Document, on the due date thereof (whether at the scheduled maturity, by acceleration or otherwise) or any legal, administrative or other actions (including, without limitation, actions brought by any holders of equity or Debt of Holdings or any of its Subsidiaries or derivative actions brought by any Person claiming through or in Holdings' or any of its Subsidiaries' name), proceedings or investigations (whether formal or informal), or written threats thereof, based upon, relating to or arising out of the Note Documents, the transactions contemplated thereby, or any Indemnified Party's role therein or in the transactions contemplated thereby; provided, however, that Holdings and its Subsidiaries shall not be liable under this Section 12.1 to an Indemnified Party to the extent such Liabilities resulted primarily from the willful misconduct or gross negligence of such Indemnified Party; provided, further, that if and to the extent that such indemnification is unenforceable for any reason, Holdings and its Subsidiaries, jointly and severally, shall make the maximum contribution to the payment and satisfaction of such Liabilities which shall be permissible under Requirements of Law. In connection with the obligation of Holdings and its Subsidiaries to indemnify for expenses as set forth above, each of Holdings and its Subsidiaries further agrees, upon presentation of appropriate invoices containing reasonable detail, to reimburse each Indemnified Party for all such reasonable expenses (including, without limitation, fees, disbursements and other charges of counsel and costs of investigation incurred by an Indemnified Party in connection with any Liabilities) as they are incurred by such Indemnified Party.

12.2 Procedure; Notification. Each Indemnified Party under this Article 12 will, promptly after the receipt of notice of the commencement of any action, investigation, claim or other proceeding against such Indemnified Party in respect of which indemnity may be sought from Holdings and its Subsidiaries under this Article 12, notify Holdings in writing of the commencement thereof. The omission of any Indemnified Party to so notify Holdings of any such action shall not relieve Holdings or any of its Subsidiaries from any liability which it may have to such Indemnified Party unless, such omission substantially and irrevocably impairs Holdings' or any of its Subsidiaries' ability to defend the action, claim or other proceeding. In case any such action, claim or other proceeding shall be brought against any Indemnified Party and it shall notify Holdings of the commencement thereof, Holdings shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to such Indemnified Party in its reasonable judgment; provided, that any Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any action, claim or proceeding in which Holdings or any of its Subsidiaries, on the one hand, and an Indemnified Party, on the other hand, is, or is reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel at Holdings' or such Subsidiary's expense and to

control its own defense of such action, claim or proceeding if, in the reasonable opinion of counsel to such Indemnified Party, a conflict or potential conflict exists between Holdings or any of its Subsidiaries, on the one hand, and such Indemnified Party, on the other hand, that would make such separate representation advisable; provided, that in no event shall Holdings or any of its Subsidiaries be required to pay fees and expenses under this Article 12 for more than one firm of attorneys in any jurisdiction in any one legal action or group of related legal actions. Each of Holdings and its Subsidiaries agrees that it will not, without the prior written consent of the Required Holders, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of the Purchasers and each other Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding. The rights accorded to Indemnified Parties hereunder shall be in addition to any rights that any Indemnified Party may have at common law, by separate agreement or otherwise.

ARTICLE 12A
AGENCY PROVISIONS

12A.1 Appointment and Authority. Each Holder hereby irrevocably appoints CapitalSouth III to act on its behalf as Collateral Agent hereunder and under all of the other Collateral Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article 12A are solely for the benefit of the Collateral Agent and the Holders, and no other party shall have rights as a third party beneficiary of any of such provisions.

12A.2 Rights as a Holder. The Person serving as Collateral Agent hereunder shall have the same rights and powers in its capacity as a Holder as any other Holder and may exercise the same as though it were not Collateral Agent and the term "Holder" or "Holders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Collateral Agent hereunder in its individual capacity.

12A.3 Exculpatory Provisions/Indemnification. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Note Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that the Collateral Agent is required to exercise as directed in writing by the Required Holders (or such other number or percentage of Holders as shall be expressly provided for herein or in the other Note Documents), provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Note Document or Requirements of Law; and

(c) shall not, except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as Collateral Agent or any of its Affiliates in any capacity.

The Collateral Agent shall not be liable for any action taken or not taken by it in the absence of its own gross negligence or willful misconduct. The Collateral Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Collateral Agent by the Company or a Holder.

The Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with Security Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in any Note Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

By accepting the benefits of this Agreement, each Holder severally agrees (A) to reimburse the Collateral Agent, on demand, in the amount of its ratable share from time to time (based on the principal amount of Notes of such Holder) for any expenses referred to in this Agreement or in any document securing Obligations owed to such Holder and/or any other reasonable expenses incurred by the Collateral Agent in connection with the enforcement and protection of the rights of the Collateral Agent for the benefit of the Holders which shall not have been paid or reimbursed by the Company or paid from the proceeds of Collateral or as provided herein or therein and (B) to indemnify and hold harmless the Collateral Agent and its Affiliates (other than any other Holder) and its and their respective directors, officers, employees, agents and attorneys on demand, in the amount of such ratable share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements referred to in this Agreement and/or incurred by the Collateral Agent in connection with this Agreement or in any document securing the Obligations or the enforcement and protection of the rights of Holders, to the extent the same shall not have been reimbursed by the Company or paid from the proceeds of Collateral as provided herein; provided, in each case, that no Holder shall be liable to the Collateral Agent and its Affiliates and its and their respective directors, officers, employees, agents and attorneys for any portion of such expenses, liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of any such Person.

12A.4 Reliance by the Collateral Agent. The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12A.5 Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Note Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article 12A shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

12A.6 Resignation of Collateral Agent. The Collateral Agent may at any time give notice of its resignation to each Holder and the Company. Upon receipt of any such notice of resignation, the Required Holders shall have the right, in consultation with the Company, to appoint a successor. If no such successor shall have been so appointed by the Required Holders and shall have accepted such appointment within thirty (30) days after the retiring Collateral Agent gives notice of its resignation, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Note Documents and (b) all payments, communications and determinations provided to be made by, to or through the Collateral Agent shall instead be made by or to each Holder directly, until such time as the Required Holders appoint a successor Collateral Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Collateral Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Collateral Agent, and the retiring Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other Note Documents (if not already discharged therefrom as provided above in this paragraph). After the retiring Collateral Agent's resignation hereunder and under the other Note Documents, the provisions of this Article 12A shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

12A.7 Collateral Matters. Holders irrevocably authorize the Collateral Agent, subject to the approval of the Required Holders, at its option and in its discretion,

(a) to release any Lien on any Collateral granted to or held by the Collateral Agent, for the ratable benefit of itself and the Holders, under this Agreement or any other Note Document (A) upon repayment in full of the Obligations, (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Note Document, or (C) subject to the terms of this Agreement, if approved, authorized or ratified in writing by the Required Holders; and

(b) to subordinate any Lien on any Collateral granted to or held by the Collateral Agent under any Note Document to the holder of any Lien on such Collateral that is permitted under this Agreement or any other Note Document.

Upon request by the Collateral Agent at any time, the Holders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 12A.7.

12A.8 Sharing of Collateral. Until all of the Obligations are paid in full, all Collateral or proceeds thereof received by any Holder other than the Collateral Agent, in connection with the exercise of any right or remedy relating to the Collateral or otherwise shall be segregated and held in trust and forthwith paid over or delivered (a) to the Collateral Agent, for the ratable benefit of itself and the other Holders, in the same form as received together with any necessary endorsements, or (b) as a court of competent jurisdictions may otherwise direct.

ARTICLE 13
MISCELLANEOUS

13.1 Survival of Representations and Warranties. All of the representations and warranties made herein shall survive the execution and delivery of this Agreement, any investigation by or on behalf of the Purchasers, acceptance of the Notes and payment therefor, or termination of this Agreement.

13.2 **Notices**. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier (with receipt confirmed), courier service or personal delivery:

(a) if to the Collateral Agent:

CapitalSouth Partners SBIC Fund III, L.P.
4201 Congress Street - Suite 360
Charlotte, North Carolina 28209
Facsimile: (704) 376-5877
Attention: Joseph B. Alala, III

With a copy (which shall not constitute notice) to:

K&L Gates LLP
214 North Tryon Street, 47th Floor
Charlotte, NC 28202
Facsimile: (704) 353-3184
Attention: T. Richard Giovannelli, Esq.

(b) if to Holdings or any Subsidiary (including the Company):

[New Holdco]
2016 Ayrsley Town Boulevard, Suite 200
Charlotte, NC 28273
Facsimile:
Attention: John Grosso

and:

[New Holdco]
c/o Capitala Group, LLC
4201 Congress Street - Suite 360
Charlotte, NC 28209
Facsimile: (704) 376-5877
Attention: Joseph B. Alala, III

(c) if to any other Holder:

to the address set forth on the Company's books and records for such Holder, with a copy to the Collateral Agent as set forth in Section 13.2(a).

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; if mailed, five (5) Business Days after being deposited in the mail, postage prepaid; or if telecopied, when receipt is acknowledged.

13.3 **Successors and Assigns**.

(a) This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws, the Purchasers and any

subsequent Holder of any Notes may transfer any of its Notes in whole or in part and may assign its rights under the Note Documents to such transferee.

(b) The Company may not assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of the Required Holders, and any such purported assignment by the Company without the written consent of the Required Holders shall be void and of no effect. Except as provided in Article 12, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of any of the Note Documents.

13.4 Amendment and Waiver.

(a) No failure or delay on the part of any of the parties hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for in this Agreement are cumulative and are not exclusive of any remedies that may be available to the parties hereto at law, in equity or otherwise.

(b) Any amendment, waiver, supplement or modification of or to any provision of this Agreement, and any consent to any departure by any party from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by the Company and the Required Holders (unless such provision specifically states that such approval is only required by the Collateral Agent) and (ii) only in the specific instance and for the specific purpose for which made or given; provided, that, notwithstanding the foregoing, without the prior written consent of each Holder affected, an amendment, modification, termination or waiver of this Agreement, the Note Documents or any consent to departure from a term or provision hereof or thereof may not: (A) reduce the principal amount of the Notes whose holders must consent to any such amendment, modification, termination, waiver or consent; (B) reduce the principal amount of the Notes; (C) make a Note payable in money other than that stated in such Note; or (D) change any provision of this Section 13.4 or the definition of "Required Holders" or any other provision specifying the number or percentage of Holders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder.

(c) Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

13.5 Signatures; Counterparts. Facsimile transmissions of any executed original document and/or retransmission of any executed facsimile transmission shall be deemed to be the same as the delivery of an executed original. At the request of any party hereto, the other parties hereto shall confirm facsimile transmissions by executing duplicate original documents and delivering the same to the requesting party or parties. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

13.6 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

13.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH, AND ENFORCED UNDER, THE LAWS OF THE STATE OF NORTH CAROLINA, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

13.8 JURISDICTION, JURY TRIAL WAIVER, ETC.

(a) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AGREES THAT THE ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES, OR ANY AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NORTH CAROLINA OR OF THE UNITED STATES OF AMERICA FOR THE WESTERN DISTRICT OF NORTH CAROLINA AND HEREBY EXPRESSLY SUBMITS TO THE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS FOR THE PURPOSES THEREOF AND EXPRESSLY WAIVES ANY CLAIM OF IMPROPER VENUE AND ANY CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS ADDRESS SET FORTH IN SECTION 13.2, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING.

(b) EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES, OR ANY OF THE OTHER TRANSACTION DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EACH OF LOAN PARTIES AND THEIR SUBSIDIARIES (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE PURCHASERS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE PURCHASERS WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (ii) ACKNOWLEDGES THAT THE PURCHASERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, AND THE OTHER TRANSACTION DOCUMENTS TO WHICH THEY ARE PARTY BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

13.9 Severability. If any one or more of the provisions contained in this Agreement, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions of this Agreement. The parties hereto further agree to replace such invalid, illegal or unenforceable provision of this Agreement with a valid, legal and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid, illegal or unenforceable provision.

13.10 Rules of Construction. Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Agreement.

13.11 Entire Agreement. This Agreement, together with the exhibits and schedules hereto and the other Note Documents, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement, together with the exhibits and schedules hereto, and the other Note Documents supersede all prior agreements and understandings between the parties with respect to such subject matter.

13.12 Certain Expenses. The Company will pay all reasonable expenses of the Holders (including, without limitation, reasonable fees, charges and disbursements of one law firm as counsel to

the Holders) in connection with (a) any enforcement, amendment, supplement, modification or waiver of or to any provision of this Agreement or any of the other Note Documents or any documents relating thereto (including, without limitation, a response to a request by the Company for the consent of the Required Holders to any action otherwise prohibited hereunder or thereunder), (b) consent to any departure from, the terms of any provision of this Agreement or such other documents, (c) any Change of Control and (d) any redemption of the Notes.

13.13 Publicity. Except as may be required by Requirements of Law (including filings by any Holder with the United States Securities Exchange Commission as required under the Securities Act or other applicable law), none of the parties hereto shall issue a publicity release or announcement or otherwise make any public disclosure concerning this Agreement or the transactions contemplated hereby, without prior approval by the other party hereto. If any announcement is required by law to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other parties and shall give the other parties an opportunity to comment thereon. Notwithstanding anything herein to the contrary, any party to this Agreement and the other Transaction Documents (and any employee, representative, or other agent of any such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, notwithstanding the above, any such information and materials shall be kept confidential to the extent necessary to comply with applicable securities laws.

13.14 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement, including without limitation, any post-closing assignment(s) by any Holder of a portion of the Securities to a Person not currently a party hereto, subject to the limitations set forth herein.

13.15 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Note Documents. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any Note Document, this Agreement or such other Note Document shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any other Note Document. No knowledge of, or investigation, including without limitation, due diligence investigation, conducted by, or on behalf of, the Purchasers or any other Holder shall limit, modify or affect the representations set forth in Article 6 of this Agreement or the right of any Holder to rely thereon.

13.16 Non-Reliance on Other Holders. Each Holder acknowledges that it has, independently and without reliance upon the Collateral Agent or any other Holder or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement and the other Note Documents. Each Holder also acknowledges that it will, independently and without reliance upon the Collateral Agent or any other Holder or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Note Document or any related agreement or any document furnished hereunder or thereunder.

[signature pages follow]

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

Company:

[REORGANIZED COMPANY]

By:_____
Name:
Title:

Holdings:

[NEW HOLDCO]

By:_____
Name:
Title:

[signature pages continue]

Purchasers and Collateral Agent:

CAPITALSOUTH PARTNERS SBIC FUND III, L.P., as a Purchaser and the Collateral Agent

By: **CAPITALSOUTH PARTNERS F-III, LLC**, its General Partner

By:_____
Name:
Title:

CAPITALSOUTH PARTNERS FUND II LIMITED PARTNERSHIP, as a Purchaser

By: **CAPITALSOUTH PARTNERS F-II, LLC**, its General Partner

By:_____
Name:
Title:

CAPITALSOUTH PARTNERS FLORIDA SIDECAR FUND II, L.P., as a Purchaser

By: **CAPITALSOUTH FLORIDA SIDECAR FUND II GP, LLC**, its General Partner

By:_____
Name:
Title:

Schedule 2.1
Commitments

Purchaser	**Revolving Notes Commitment**
CapitalSouth II	$ 420,000
CapitalSouth III	$3,780,000
Sidecar	$2,800,000
Total	**$7,000,000**

Purchaser	**Term Notes**
CapitalSouth II	$ 720,000
CapitalSouth III	$ 6,480,000
Sidecar	$ 4,800,000
Total	**$12,000,000**

EXHIBIT B

NOTE PURCHASE AGREEMENT

by and among

[REORGANIZED COMPANY]

as Issuer

[NEW HOLDCO]

as Holdings

and

THE PURCHASERS PARTY HERETO

Dated as of December [__], 2017

TABLE OF CONTENTS

Exhibits

NOTE PURCHASE AGREEMENT

NOTE PURCHASE AGREEMENT, dated as of December [__], 2017, by and among **[REORGANIZED COMPANY]**, a Delaware limited liability company (the "***Company***"), **[NEW HOLDCO]**, a Delaware limited liability company ("***Holdings***"), **CAPITALSOUTH PARTNERS SBIC FUND III, L.P.**, a Delaware limited partnership ("***CapitalSouth III***"), **CAPITALSOUTH PARTNERS FUND II LIMITED PARTNERSHIP**, a Delaware limited partnership ("***CapitalSouth II***") and **CAPITALSOUTH PARTNERS FLORIDA SIDECAR FUND II, L.P.**, a Delaware limited partnership ("***Sidecar***" and, together with CapitalSouth III and CapitalSouth II, the "***Purchasers***" and each a "***Purchaser***").

STATEMENT OF PURPOSE:

WHEREAS, pursuant to the terms of that certain Amended Joint Chapter 11 Plan of Reorganization [Docket No. 191] (as may be amended, supplemented or modified from time to time, the "***Chapter 11 Plan***") of Portrait Innovations, Inc. and Portrait Innovations Holding Company (together, the "***Debtors***") filed in the chapter 11 cases entitled In re: Portrait Innovations, Inc., et al., case no. 17-31455 (the "***Chapter 11 Cases***"), pending in the United States Bankruptcy Court for the Western District of North Carolina (the "***Bankruptcy Court***"), on the Closing Date, the Company will acquire all of the assets of the Debtors;

WHEREAS, also on the Closing Date, the Company will issue new equity interests to Holdings constituting 100% of the Company's outstanding equity interest, such that the Company will thereafter be a wholly-owned subsidiary of Holdings;

WHEREAS, the Purchasers are the holders of the Existing Notes, and in accordance with the terms of the Chapter 11 Plan the Purchasers have agreed to accept, in partial satisfaction of their claims on account of such Existing Notes, senior secured promissory notes issued by the Company in the aggregate original principal amount of $12,000,000 and substantially in the form as Exhibit A hereto (the "***Term Notes***");

WHEREAS, the Company wishes to sell to the Purchasers, and the Purchasers wish to purchase from time to time on the terms and conditions set forth herein senior secured multiple advance promissory notes issued by the Company to the Purchasers in the aggregate principal amount of up to $~~5,000,000~~7,000,000 and substantially in the form of Exhibit B hereto (the "***Revolving Notes***", and together with the Term Notes, individually and collectively, the "***Notes***"), the proceeds of which shall be used to fund the Chapter 11 Plan Payments on the Closing Date and for general working capital purposes;

WHEREAS, Holdings and each other Guarantor will guarantee, on a joint and several basis, the Obligations under the Notes; and

WHEREAS, on the Closing Date, each Loan Party will grant a Lien on substantially all of its assets to the Collateral Agent, for the benefit of the Holders, to secure its respective obligations hereunder and under the other Note Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Definitions**. As used in this Agreement, the following terms have the meanings indicated:

"Advance" has the meaning given to that term in Section 2.1(b)(ii).

"Additional Advance" has the meaning given to that term in Section 2.1(b)(ii).

"Administrative Claims Reserve" has the meaning given to that term in the Chapter 11 Plan.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns ten percent (10%) or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Capital Stock, by contract or otherwise. None of the Purchasers nor any of their respective Affiliates shall be, or be deemed to be, an Affiliate of any Loan Party.

"Agreement" means this Agreement, including the exhibits and schedules attached hereto, as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Authority" has the meaning assigned to that term in Section 8.12(b).

"Bankruptcy Court" has the meaning given to that term in the recitals.

"Board" means the board of directors of Holdings.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the States of North Carolina are authorized or required by law or executive order to close.

"CAA" has the meaning set forth in the definition of "Environmental Laws."

"Capital Expenditure" means any expenditure for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a balance sheet prepared in accordance with GAAP, excluding (a) the cost of assets acquired pursuant to Capitalized Leases, (b) expenditures of insurance proceeds to rebuild or replace any asset after a casualty loss and (c) leasehold improvement expenditures for which the Person is reimbursed promptly by the lessor.

"CapitalSouth II" has the meaning given to that term in the preamble hereof.

"CapitalSouth III" has the meaning given to that term in the preamble hereof.

"Capital Stock" means (a) any capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise), and (b) any option, warrant, security or other right (including Debt securities or other evidence of Debt) directly or indirectly convertible into or exercisable or exchangeable

for, or otherwise to acquire directly or indirectly, any capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or security described in clause (a) above.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of any Person shall mean the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"cash" means the currency of the United States of America.

"Cash Equivalents" means (a) short-term obligations of, or fully guaranteed by, the United States of America, (b) commercial paper rated A-1 or better by Standard & Poors or P-1 or better by Moody's, (c) demand deposit accounts maintained in the ordinary course of business, and (d) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000; provided in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"Cash on Hand" means the aggregate amount of all cash and Cash Equivalents of the Company and its Subsidiaries in all banks account owned or controlled by the Company or any of its Subsidiaries, other than accounts exclusively used for payroll or employee benefits purposes.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

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

(a) consummation of a merger, consolidation, reorganization, sale of Capital Stock, sale or other disposition of all or substantially all of the assets of Holdings (a "***Business Combination***"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the then outstanding voting securities of Holdings (the "***Outstanding Holdings Voting Securities***") immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%), respectively, of the then outstanding shares of voting Capital Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns Holdings or all or substantially all of Holdings' assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Holdings Voting Securities, (ii) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the economic interests in respect of the Capital Stock of Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%), respectively, of the then outstanding shares of the economic interests of the Capital Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns Holdings or all or substantially all of Holdings' assets either directly or through one or more Subsidiaries) and (iii) at least a majority of the members of the board of directors (or equivalent governing body) of the entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; and

(b) (i) Holdings shall cease to be the sole record and beneficial owner of all Capital Stock of the Company or any of its direct or indirect Subsidiaries or (ii) the Company shall cease to be the sole and beneficial owner of any of its Subsidiaries.

"Chapter 11 Cases" has the meaning given to that term in the recitals.

"Chapter 11 Plan" has the meaning given to that term in the recitals.

"Chapter 11 Plan Payments" means the aggregate amount of cash necessary to fund in full the GUC Fund, the Administrative Claims Reserve and the Professional Fee Reserve, and to repay in full all Allowed DIP Facility Claims (as defined in the Chapter 11 Plan) on the Closing Date.

"Closing" has the meaning assigned to that term in Section 2.3.

"Closing Date" has the meaning assigned to that term in Section 2.3.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

"Collateral" has the meaning set forth in the Security Agreement.

"Collateral Agent" means the Collateral Agent appointed pursuant to Section 12A.1 or any successor Collateral Agent appointed pursuant to Section 12A.6.

"Collateral Documents" means the Security Agreement, the Intellectual Property Security Agreements, each deposit account control agreement and each other agreement or writing pursuant to which Holdings or any Subsidiary thereof purports to pledge or grant a security interest in any property or assets securing the Obligations, or any such Person purports to guarantee the payment and/or performance of the Obligations, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Company" has the meaning given to that term in the preamble hereof and shall extend to all permitted successors and assigns of such Person.

"Confirmation Order" means an order of the Bankruptcy Court, in form and substance satisfactory to the Purchasers, entered in the Chapter 11 Cases confirming the Chapter 11 Plan and approving the Transactions and entry into the Transaction Documents.

"Contractual Obligations" means as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument or arrangement (whether in writing or otherwise), other than a Transaction Document, to which such Person is a party or by which it or any of such Person's property is bound.

"CWA" has the meaning given to that term in the definition of "Environmental Laws."

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all obligations issued, undertaken or assumed by such Person as the deferred purchase price of property or services (other than trade payables entered into in the original course of

business on ordinary terms); (c) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments; (d) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all Capitalized Lease Obligations of such Person; (f) all indebtedness of such Person referred to in clauses (a) through (e) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (it being understood that if such Person has not assumed or otherwise become personally liable for any such Debt, the amount of the Debt of such Person in connection therewith shall be limited to the lesser of the face amount of such Debt or the fair market value of all property of such Person securing such Debt); and (g) all guaranties of such Person of any Debt of another Person. For the avoidance of doubt, the Class A Units of Holdings shall not be Debt for any purpose hereunder.

"Debtors" has the meaning given to that term in the recitals.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Rate" has the meaning given to that term in Section 3.1(c).

"Distributions" by a Person means (a) dividends or other distributions on any now or hereafter outstanding Capital Stock of such Person, (b) the redemption, repurchase, defeasance or acquisition of such Capital Stock or of warrants, rights or other options to purchase such Capital Stock, and (c) any loans or advances (other than salaries, bonuses or reimbursement of employee expenses in the ordinary course of business), to any stockholder(s), partner(s) or member(s) of such Person.

"EBITDA" means, for any period in question, the sum of (a) Net Income for such period plus (b) to the extent deducted in determining such Net Income, the sum (without duplication) of (i) Interest Expense during such period, (ii) depreciation expenses of Holdings and its Subsidiaries during such period, (iii) amortization expenses of Holdings and its Subsidiaries during such period, (iv) all federal, state and local income taxes payable by Holdings and its Subsidiaries during such period, (v) any extraordinary losses of Holdings and its Subsidiaries incurred other than in the ordinary course of business during such period, (vi) any management fees paid to Purchasers or their Affiliates, (vii) non-recurring expenses (such as restructuring costs, including, without limitations, costs associated with the Chapter 11 Cases, or penalties required to be expensed under GAAP), and (viii) non-cash charges reducing income under GAAP minus (c) to the extent added in determining such Net Income, any extraordinary gains of Holdings and its Subsidiaries realized other than in the ordinary course of business during such period, all determined on a consolidated basis and in accordance with GAAP.

"Effective Date" has the meaning given to that term in the Chapter 11 Plan.

"Environmental Complaint" has the meaning assigned to that term in Section 8.12(b).

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, Licenses, concessions, grants, franchises, agreements and other governmental restrictions relating to (a) the protection of the environment, (b) the effect of the environment on human health, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water, air or land, or (d) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or

handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof, including, without limitation, the Clean Air Act, 42 U.S.C. § 7401 et seq. (**"*CAA*"**), the Clean Water Act, 33 U.S.C. § 1251 et seq. (**"*CWA*"**), the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act), 42 U.S.C. § 6901 et seq. (**"*RCRA*"**), and CERCLA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means a corporation that is or was a member of a controlled group of corporations with Holdings within the meaning of Section 4001(a) or (b) of ERISA or Section 414(b) of the Code, a trade or business (including a sole proprietorship, partnership, trust, estate or corporation) that is under common control with any Loan Party within the meaning of Section 414(m) of the Code, or a trade or business which together with any Loan Party is treated as a single employer under Section 414(o) of the Code.

"Event of Default" has the meaning assigned to that term in Section 11.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Notes" means the 12% Senior Subordinated Notes issued pursuant to that certain Note Purchase Agreement, dated as of February 26, 2015, by and between Portrait Innovations, Inc., Portrait Innovations Holding Company, CapitalSouth II and CapitalSouth III (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof).

"Fiscal Quarter" means in respect of a date as of which the applicable financial covenant is being calculated or financial report is being furnished, any fiscal quarter of a Fiscal Year (currently the three month periods ending on each March 31, June 30, September 30 and December 31 annually).

"Fiscal Year" means the fiscal year for financial accounting and reporting purposes of Holdings and its Subsidiaries (currently the fiscal year ending December 31).

"Fixed Charge Coverage Ratio" means, for any period, the ratio of (a) EBITDA for such period minus the sum of the following for such period (i) Capital Expenditures, (ii) cash taxes paid or required to be paid plus all tax Distributions made to holders of Capital Stock and (iii) all other Distributions made to holders of Capital Stock (other than payments of the Preferred Dividend); to (b) Fixed Charges during such period, all determined on a consolidated basis and in accordance with GAAP.

"Fixed Charges" means, for any period, the sum of the following determined on a consolidated basis for such period, without duplication, for Holdings and its Subsidiaries in accordance with GAAP: (a) Interest Expense to the extent paid or payable in cash during such period, plus (b) scheduled principal payments with respect to Debt made during such period (including the principal component of Capitalized Lease Obligations), plus (c) any management fees paid to Purchasers or their Affiliates and (d) non-recurring expenses (such as restructuring costs or penalties required to be expensed under GAAP).

"Funded Debt" means, as of any date of determination, all outstanding Debt of the types described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" as of such date.

"GAAP" means generally accepted accounting principles in effect within the United States from time to time, consistently applied.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision of any thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, regulation or compliance, including, without limitation, any federal, state or local public utility commission, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"GUC Fund" has the meaning given to such term in the Chapter 11 Plan.

"Hazardous Discharge" has the meaning assigned to that term in Section 8.12(b).

"Hazardous Materials" means (a) any "hazardous substance", as defined by CERCLA, (b) any "hazardous waste", as defined by RCRA, (c) any petroleum product, (d) any "pollutant," as defined by the CWA, or (e) contaminant or hazardous, dangerous or toxic chemical, material or substance within the meaning of any other Environmental Law.

"Hedging Agreement" means any rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging agreement.

"Holder" means each holder of a Note hereunder.

"Holdings" has the meaning given to that term in the preamble hereof.

"Holdings LLC Agreement" means the limited liability company agreement of Holdings, as in effect on the Closing Date and as amended, restated, supplemented or otherwise modified from time to time.

"Indemnified Party" has the meaning given to that term in Section 12.1.

"Initial Advance" has the meaning given to that term in Section 2.1(b)(i).

"Initial Public Offering" means the initial firm commitment underwritten public offering of shares of any of the Capital Stock of any Loan Party (or Capital Stock of a successor corporation) pursuant to an effective registration statement under the Securities Act.

"Insolvency Proceeding" means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors (including any proceeding under the United States Bankruptcy Code) or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of such creditors, In each case other than the Chapter 11 Cases.

"Intellectual Property Security Agreement" means each trademark security agreement, patent security agreement and copyright security agreement, between any Loan Party and CapitalSouth III, as the Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time.

"Interest Expense" means, for the period in question, without duplication, all gross interest expense of Holdings and its Subsidiaries (including, without limitation, all commissions, discounts and/or related amortization and other fees and charges owed by Holdings and/or its Subsidiaries with respect to letters of credit, the net costs associated with any Hedging Agreement of Holdings and/or its Subsidiaries, capitalized interest expense, the interest portion of Capitalized Lease Obligations and the interest portion of any deferred payment obligation) for such period, all determined on a consolidated basis and in accordance with GAAP; provided, that any payments of the Preferred Dividend shall not constitute "Interest Expense" for any purpose hereunder.

"Interest Payment Date" has the meaning given to that term in Section 3.1(a).

"Interest Rate" has the meaning given to that term in Section 3.1(a).

"Key Man Life Insurance Policy" has the meaning assigned to that term in Section 8.17.

"Leverage Ratio" means, with respect to Holdings and its Subsidiaries as of any date of determination, the ratio of (a) Funded Debt on such date to (b) EBITDA for the trailing twelve (12) month period ending on or immediately prior to such date, determined on a consolidated basis and in accordance with GAAP.

"Liabilities" has the meaning given to that term in Section 12.1.

"Licenses" means all licenses, permits, authorizations, determinations, and registrations issued by any Governmental Authority to any Loan Party or any Subsidiary in connection with the conduct of its business.

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, or any financing lease having substantially the same economic effect as any of the foregoing, but not including the interest of a lessor under an operating lease).

"Loan Parties" means Holdings, the Company and all of their respective direct or indirect Subsidiaries.

"Material Adverse Effect" means an effect that results in or causes (a) a material adverse change in, or a material adverse effect upon, the assets, liabilities, business, properties, prospects, operations, or condition (financial or otherwise) of Holdings, the Company and their respective Subsidiaries, taken as a whole, or (b) a material adverse effect upon the legality, validity, binding effect or enforceability against Holdings, the Company or any of their respective Subsidiaries of any Note Document.

"Maturity Date" has the meaning given to that term in Section 3.2(a).

"Moody's" means Moody's Investors Service, Inc.

"Net Income" means the income (or loss) of Holdings and its Subsidiaries for the period in question, determined on a consolidated basis and in accordance with GAAP, calculated before any

provision for income taxes and any minority interest adjustment required under GAAP and excluding any gain (or loss) from any foreign currency exchange or translation.

"Notes" has the meaning given to that term in the recitals.

"Note Documents" means this Agreement, the Notes, the SBA Documents, the Collateral Documents and each other agreement, document or certificate delivered pursuant to this Agreement or the Notes, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Obligations" means all obligations of every nature of the Company or any other Loan Party, as applicable, from time to time owed to the Purchasers under the Note Documents, whether for principal, interest, fees, expenses, indemnification or otherwise; provided, however, for the avoidance of doubt, no obligations owing by any Loan Party to any Holder or any Affiliate of any Holder, or their respective successors or assigns, in respect of or pursuant to any equity investment made by any Holder or any Affiliate of any Holder, or their respective successors and assigns, in Holdings or any other Loan Party shall be included in the Obligations.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Organizational Documents" means the limited liability company agreement or bylaws (as applicable), certificate or articles of formation or certificate or articles of incorporation (as applicable) and other similar organizational and governing documents of Holdings and its Subsidiaries.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permitted Liens" means those Liens permitted pursuant to Section 9.2.

"Person" means any individual, firm, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"PIK Interest" has the meaning given to that term in Section 3.1.

"Plans" means any employee benefit plan (as defined in Section 3(3) of ERISA) or other employee benefit arrangement.

"Preferred Dividend" means regularly scheduled dividends paid to the holders of Class A Units of Holdings at the rate and on the terms set forth in the Holdings LLC Agreement.

"Prepayment Date" has the meaning set forth in Section 3.2(b).

"Professional Fee Reserve" has the meaning given to that term in the Chapter 11 Plan.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Purchasers" has the meaning given to that term in the preamble hereof.

"RCRA" has the meaning given to that term in the definition of "Environmental Laws."

"Release" has the meaning assigned to that term in Section 8.12(b).

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event; provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Holders" means the Holders of at least fifty-one percent (51%) of the outstanding principal balance of the Notes.

"Requirements of Law" means as to any Person, provisions of the Organizational Documents of such Person, or any law, treaty, code, rule, regulation, right, privilege, qualification, License or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to such Person or any of such Person's property or to which such Person or any of such Person's property is subject or pertaining to any or all of the transactions contemplated or referred to herein.

"Revolving Notes" has the meaning given to that term in the recitals.

"Revolving Notes Commitment" has the meaning given to that term in Section 2.1(b).

"Sanctioned Entity" means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in a country that is subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn/index.html, or as otherwise published from time to time.

"SBA" means the United States Small Business Administration

"SBA Documents" means, collectively, the small business investment company side letter, the economic impact assessment and SBA Forms 480, 652 and 1031 in the forms attached hereto as Exhibit C.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations thereunder as the same shall be in effect at the time.

"Security Agreement" means the Security Agreement, among the Loan Parties, CapitalSouth III, as the Collateral Agent, and the other parties thereto, as amended, restated, supplemented or otherwise modified from time to time.

"Sidecar" has the meaning given to that term in the preamble hereof.

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

"Subsidiary" means, with respect to any Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person. Unless otherwise qualified, all references to a **"Subsidiary"** or to **"Subsidiaries"** in this Agreement shall refer to a Subsidiary or Subsidiaries of Holdings.

"Tax" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on-minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with a Governmental Authority responsible for the administration of Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Term Notes" has the meaning given to that term in the preamble hereof.

"Termination Event" means (i) a Reportable Event with respect to any Plan or Multiemployer Plan; (ii) the withdrawal of the Company or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (iii) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (v) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vi) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of the Company or any member of the Controlled Group from a Multiemployer Plan.

"Transaction Documents" means, collectively, the Note Documents, the Chapter 11 Plan, the Confirmation Order and the SBA Documents.

"Transactions" means, collectively, (a) the issuance of the Notes hereunder and the execution of the Note Documents, (b) the transactions contemplated by the Chapter 11 Plan and the Confirmation Order, and (c) the payment of all fees and expenses in connection with the foregoing.

1.2 **Accounting Terms**. All accounting terms used herein and not expressly defined in this Agreement shall have the respective meanings given to them in conformance with GAAP. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with GAAP, consistently applied, to the extent applicable, except as otherwise expressly provided in this Agreement.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase, Sale and Issuance of the Notes.

(a) Term Notes. Subject to the terms and conditions herein set forth, on the Closing Date, the Company will issue to the Purchasers, and the Purchasers will acquire from the Company, the Term Notes in the initial principal amount of $12,000,000, allocated among the Purchasers in the respective amounts set forth on Schedule 2.1 in satisfaction of a portion of such Purchaser's Allowed Class 3 Claim (as defined in the Chapter 11 Plan) in accordance with the Chapter 11 Plan. Amounts repaid under the Term Notes may not be reborrowed.

(b) Revolving Notes. Subject to the terms and conditions herein set forth, on the Closing Date, each Purchaser severally and not jointly agrees to purchase from the Company, and the Company agrees to issue and sell to the Purchasers, the Revolving Notes in an aggregate principal amount of up to $~~5,000,000~~7,000,000 at any one time outstanding (the "***Revolving Notes Commitment***"), allocated among the Purchasers as set forth on Schedule 2.1. Amounts paid under the Revolving Notes may be reborrowed, subject to the terms and conditions hereof.

(i) Initial Advance on the Closing Date. On the Closing Date, the Purchasers, severally and not jointly, shall make an advance under the Revolving Notes in an aggregate amount equal to the amount of the Chapter 11 Plan Payments (the "***Initial Advance***"), allocated among the Purchasers pro rata based on such Holder's Revolving Notes Commitment set forth on Schedule 2.1.

(ii) Additional Advances. Subject to the satisfaction of the conditions set forth in Sections 2.1(c) and 4.2, each Holder of a Revolving Note, severally and not jointly, shall from time to time make one or more additional advances to the Company after the Closing Date (each, an "***Additional Advance***" and, together with the Initial Advance, each an "***Advance***") under its Revolving Notes in an aggregate amount, when combined with all Advances then outstanding, not to exceed the Revolving Notes Commitment, each of which shall be allocated among the Holders pro rata based on such Holder's Revolving Notes Commitment set forth on Schedule 2.1.

(c) Procedures for Additional Advances. Subject to the satisfaction of the conditions set forth in Section 4.2, each Additional Advance shall be made upon the Company's written notice delivered to the Holders (each, a "***Notice of Advance***"), which notice must be received by the Holders prior to 1:00 p.m. (prevailing Eastern time) not less than three (3) Business Days prior to the requested date of such Additional Advance (the "***Advance Date***"). Such Notice of Advance shall be in substantially the form attached hereto as Exhibit D, and shall specify (i) the aggregate amount of the requested Advance; and (ii) the requested Advance Date, which shall be a Business Day. No more than one (1) Advance shall be made in any two (2) week period. For the avoidance of doubt, no Holder shall be required to fund any Advances to the extent that, after giving effect to such Advance the aggregate amount of all Advances by such Holder which are then outstanding would exceed such Holder's Revolving Notes Commitment.

2.2 Fees Payable.

(a) [Reserved]

(b) [Reserved].

(c) Reimbursement of Expenses. At the Closing, the Company agrees to reimburse all of the Purchasers' reasonable fees and expenses (including, without limitation, reasonable fees, charges and disbursements of professionals and consultants, and other reasonable out-of-pocket expenses, including, without limitation, travel expenses) incurred in connection with (i) the negotiation and execution and delivery of this Agreement and the Transaction Documents and the filing of the SBA Documents, and (ii) the other transactions contemplated by this Agreement and the Note Documents (including filings or other actions required to perfect the security interests granted under the Collateral Documents).

2.3 Closing. The purchase and issuance of the Notes shall take place at the closing (the "***Closing***") on the date hereof (the "***Closing Date***"). At the Closing, the Company shall deliver the Notes to the Purchasers and the Purchasers shall deliver the Initial Advance, which is payable by wire transfer of immediately available funds.

ARTICLE 3
THE NOTES

3.1 Interest.

(a) Interest Rate; Payments. Interest on the sum of the outstanding principal amount of the Notes (plus any previously compounded PIK Interest relating thereto plus any default interest added thereto pursuant to Section 3.1(c)) shall accrue from the issuance thereof and including the Closing Date, as applicable, until full and final repayment of the principal amount of such Note and the payment of all interest in full, (i) with respect to the Revolving Notes, at an aggregate rate of nine percent (9%) per annum, and (ii) with respect to the Term Notes, at an aggregate rate of twelve percent (12%) per annum (the "***Interest Rate***"), in each case, compounded monthly and computed on the basis of the actual number of days elapsed and a 360-day year. On the last day of each calendar month in which any Note is outstanding, commencing with the calendar month ending on January 31, 2018, the Company shall pay in arrears in cash by automatic bank draft accrued interest on the outstanding principal amount of each such outstanding Note in an amount equal to the interest which is currently payable in cash hereunder as set forth above~~.~~; provided that the Company may, at its option but solely to the extent approved by the Board, elect to pay all or a portion of the interest due and payable in kind as set forth in Section 3.1(b) (the "***PIK Interest***"). If any day on which interest is to be paid is not a Business Day, such interest shall be paid on the immediately preceding Business Day to occur prior to such date (each date upon which interest shall be so payable, an "***Interest Payment Date***"). To the extent that any interest is paid as PIK Interest, the amount of cash interest to be paid and the amount of PIK Interest to be accrued shall in each case be apportioned to each outstanding Note pro rata based upon the principal amount of each Note (including previously accrued PIK) outstanding as of the applicable Interest Payment Date.

(b) ~~[Reserved].~~PIK Interest. On each Interest Payment Date whereupon the Company has elected to pay interest in kind rather than in cash, the portion of such unpaid interest not paid in cash shall be added to the principal amount of the applicable Note and shall thereafter bear interest as set forth herein and shall be payable in full with the first payment of the principal amount of the applicable Note if not otherwise paid prior to such date; provided, that all accrued PIK Interest shall accrue cumulatively whether or not the Company shall have capital, surplus, earnings or other amounts sufficient to lawfully pay such amounts.

(c) Default Rate of Interest. Notwithstanding the foregoing provisions of this Section 3.1, but subject to Requirements of Law, upon and during the occurrence of any Event of Default, each Note shall bear interest from the date of the occurrence of such Event of Default until such Event of Default is cured at a rate equal to the sum of (i) the Interest Rate payable as provided in Section 3.1(a) above plus (ii) an additional two percent (2%) per annum (the "***Default Rate***"). Subject to Requirements

of Law, any interest that shall accrue on overdue interest on any Note as provided in the preceding sentence and shall not have been paid in full on or before the next Interest Payment Date to occur after the date on which the overdue interest became due and payable shall itself be ~~added to the principal amount of the applicable Note and thereafter bear interest as set forth herein and shall be payable in full with the first payment of the principal amount of the applicable Note if not otherwise paid prior to such date.~~accrued as PIK Interest to which Section 3.1(b) shall apply.

(d) No Usurious Interest. In the event that any interest rate(s) provided for in this Section 3.1 or otherwise in this Agreement, shall be determined to exceed any limitation on interest under Requirements of Law, such interest rate(s) shall be computed at the highest rate permitted by Requirements of Law. Any payment by the Company of any interest amount in excess of that permitted by law shall be considered a mistake, with the excess being applied to the principal amount of the affected Notes without prepayment premium or penalty; if no such principal amount is outstanding, such excess shall be returned to the Company.

3.2 Redemption of Notes.

(a) Maturity Date. The Company shall redeem Notes on [_____], 2022[1] (the "***Maturity Date***"), each by payment in cash in full of the entire outstanding principal balance thereof (including all unpaid interest that has been added to the outstanding principal amount (including PIK Interest) of such Note pursuant to Section 3.1(b) or (c)), together with all unpaid interest accrued thereon to such date. All obligations to fund Additional Advances shall terminate thirty (30) days prior to the Maturity Date.

(b) Optional Redemption or Prepayment by Company. The Company shall have the right, at its sole option and election, at any time or from time to time and prior to the Maturity Date to prepay the Notes, in whole or in part, applied as set forth in Section 3.3 below, on not less than ten (10) days' prior written notice of the date of redemption or prepayment (any such date, a "***Prepayment Date***") by payment of an amount equal to the unpaid principal balance thereof to be redeemed or prepaid, without premium or penalty.

(c) Optional Redemption by the Holders. Upon the occurrence of (i) a Change of Control (and concurrent with the closing of any such transaction), (ii) an Initial Public Offering or (iii) a sale of all or substantially all of the Company and its Subsidiaries' assets, each Holder may elect to sell to the Company and the Company shall be required to purchase all Notes held by such Holder in full by payment of an amount equal to (A) the unpaid principal balance thereof, plus (B) all unpaid interest accrued thereon through the date of redemption, plus (C) all outstanding and unpaid fees and expenses payable by the Company to such Holder through the date of redemption.

(d) Mandatory Prepayment Using Life Insurance Proceeds. On the date of receipt of any life insurance proceeds from the Key Man Life Insurance Policy, an amount equal to one hundred percent (100%) of such proceeds shall be paid by the Company to the Holders as prepayment of the Notes, with any excess proceeds, absent the occurrence and continuance of an Event of Default, being released to the Company or, in any case, as a court of competent jurisdiction otherwise directs.

[1] NTD - To be 5 years from the Closing Date.

(e) Mandatory Prepayment of Revolving Notes. If at any time the Company's Cash On Hand exceeds $2,000,000 then the Company shall promptly prepay the Notes in an amount equal to the entire amount of such excess.

(f) Acceleration. In addition, the Notes shall be subject to acceleration as set forth in Section 11.2.

3.3 Manner of Payment.

(a) All fees, interest, premium and principal payable in respect of any Note shall be paid by automatic bank draft of immediately available funds to an account at a bank designated in writing by the Holder of such Note. In the absence of any such written designation, any such interest payment shall be deemed made on the date a check in the applicable amount payable to the order of the Holder thereof is received by such Holder at its last address as reflected in the Note Register (as defined in the Notes).

(b) All payments made by the Company (pursuant to this Article 3 or otherwise) upon the Obligations relating to the Notes and all net proceeds from the enforcement of the Obligations shall be applied (i) *first*, to that portion of the Obligations constituting fees, indemnities and expenses (including attorney fees) payable to the Holders, (ii) *second*, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Revolving Notes, (iii) *third*, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Notes, (iv) *fourth*, to the payment of that portion of the Obligations constituting unpaid principal of the Revolving Notes, (v) *fifth*, to the payment of that portion of the Obligations constituting unpaid principal of the Term Notes and (vi) *last*, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by any Requirements of Law.

(c) Subject to Section 3.3(b), all payments made by the Company upon the Notes (including, without limitation, payments of principal if prepaid or upon earlier acceleration) shall be paid proportionally among the Holders of the Revolving Notes or the Term Notes, as applicable, based upon the outstanding principal amounts of such Notes.

ARTICLE 4
CONDITIONS TO THE OBLIGATIONS OF THE PURCHASERS

4.1 Conditions to the Obligations of the Purchasers to Purchase the Notes on the Closing Date. The obligation of the Purchasers to purchase the Notes, fund the Initial Advance on the Closing Date and to perform any obligations hereunder shall be subject to the reasonable satisfaction as determined by, or waived by, the Purchasers of the following conditions on or before the Closing Date; provided, that any waiver of a condition shall not be deemed a waiver of any breach of any representation, warranty, agreement, term or covenant, as specifically set forth elsewhere in this Agreement, or of any misrepresentation by the Company.

(a) Representations and Warranties. The representations and warranties contained in Article 6 hereof shall be true and correct in all material respects at and as of the Closing Date after giving effect to the Transactions.

(b) Compliance with this Agreement. The Company shall have performed and complied with all of its agreements and conditions set forth or contemplated herein and the other Transaction Documents in all material respects that are required to be performed or complied with by the Company on or before the Closing Date, and the Purchasers shall have received at the Closing a certificate

to the foregoing effect, dated the Closing Date, and executed by the chief executive officer or chief financial officer on behalf of the Company.

(c) Secretary's Certificates. The Purchasers shall have received a certificate from the Company, dated the Closing Date and signed by the Secretary or an Assistant Secretary of the Company, as applicable, certifying (i) that the attached copies of the Organizational Documents of the Company and resolutions of the board of directors or similar governing body of the Company approving the Transaction Documents to which it is a party and the Transactions are all true, complete and correct and remain unamended and in full force and effect, and (ii) the incumbency and specimen signature of each officer of the Company executing any Note Document to which it is a party or any other document delivered in connection herewith and therewith on behalf of the Company.

(d) Documents. The Purchasers shall have received true, complete and correct copies of the Transaction Documents.

(e) Good Standing Certificates. The Loan Parties shall have delivered to the Purchasers as of the Closing Date, good standing certificates for it for which such a certificate is issuable by a Governmental Authority for its jurisdiction of incorporation or formation and all other jurisdictions where it does business.

(f) No Litigation. No action, suit or proceeding before any court or any Governmental Authority shall have been commenced or threatened, no investigation by any Governmental Authority shall have been commenced and no action, suit or proceeding by any Governmental Authority shall have been threatened against the Purchasers or the Loan Parties seeking to restrain, prevent or change the transactions contemplated hereby or questioning the validity or legality of any of such transactions.

(g) Insurance Certificates. On the Closing Date, the Collateral Agent shall have received evidence of insurance complying with the requirements of the Security Agreement for the business and properties of the Loan Parties.

(h) Fees, Etc. On the Closing Date, the Company shall have paid to the Purchasers all reasonable costs, fees and expenses (including, without limitation, reasonable legal fees and expenses) payable to the Purchasers to the extent then due.

(i) Chapter 11 Plan. All conditions to the Effective Date shall have been satisfied or waived in accordance with the terms of the Chapter 11 Plan, other than the issuance of the Term Notes and the funding of the Chapter 11 Plan Payments out of the proceeds of the Initial Advance.

(j) Chapter 11 Plan Payments. The amount of cash needed to fund:

(i) the Administrative Claims Reserve on the Effective Date shall not exceed $1,500,000; and

(ii) the Professional Fee Reserve on the Effective Date shall not exceed $350,000.

(k) Employment and Other Agreements. The Purchasers shall have received copies of all employment, non-compete, non-solicitation, compensation, invention assignment, work-for hire or similar agreements for John Grosso and Johnny Grosso, all of which shall be in form and substance satisfactory to the Collateral Agent.

(l) Notice of Advance. The Company shall have delivered a Notice of Advance to the Purchasers setting forth the amount of the Chapter 11 Plan Payments and the Initial Advance to be funded on the Closing Date.

(m) Consents. All consents, exemptions, authorizations, or other actions by, or notices to, or filings with, Governmental Authorities and other Persons in respect of all Requirements of Law and with respect to those Contractual Obligations of the Loan Parties necessary in connection with the execution, delivery or performance by the Loan Parties, or enforcement against the Loan Parties, of the Transaction Documents to which they are a party shall have been made or obtained and be in full force and effect, and the Purchasers shall have been furnished with appropriate evidence thereof.

(n) SBA Documents. The Purchasers shall have received executed copies of the SBA Documents, all in form and substance satisfactory to the Collateral Agent.

(o) Additional Documents. The Purchasers shall have received each additional document, instrument, legal opinion or other item reasonably requested.

4.2 Conditions to the Holders Obligations to make Additional Advances Following the Closing Date. The obligation for the Holders to fund any Additional Advances following the Closing Date and to perform any obligations in connection therewith shall be subject to the reasonable satisfaction as determined by, or waived by, the Holders of the following conditions on or prior to the applicable Advance Date in accordance with Section 2.1(c); provided, that any waiver of a condition shall not be deemed a waiver of any breach of any representation, warranty, agreement, term or covenant, as specifically set forth elsewhere in this Agreement, or of any misrepresentation by the Company:

(a) Representations and Warranties. The representations and warranties contained in Article 6 hereof shall be true and correct in all material respects at and as of the Advance Date after giving effect to the requested Advance.

(b) Compliance with this Agreement. The Loan Parties shall have performed and complied with all of their agreements and conditions set forth or contemplated herein and the other Transaction Documents in all material respects that are required to be performed or complied with by the Loan Parties on or before the Advance Date, and the Holders shall have received a certificate to the foregoing effect, dated the Advance Date, and executed by the chief executive officer or chief financial officer of the Company on behalf of the Loan Parties.

(c) Financial Covenants. On the applicable Advance Date, the Loan Parties will be in compliance with the financial covenants set forth in Section 8.13, on a pro forma basis after giving effect to the requested Advance.

(d) Defaults and Events of Default. No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the requested Advance.

(e) Revolving Notes Commitment. The aggregate principal amount of all Advances then outstanding, after giving effect to the requested Advance to be made on the Advance Date does not exceed the Revolving Notes Commitment.

(f) Cash on Hand. The Company's Cash on Hand, after giving effect to the requested Advance, shall not exceed $2,000,000.

(g) Effective Date. The Effective Date shall have occurred.

(h) Reaffirmation. The request and acceptance of the Company of the proceeds of any Additional Advance shall be deemed to constitute, as of the applicable Advance Date, (i) a representation and warranty by the Company that all of the conditions in this Section 4.2 have been satisfied, and (ii) a reaffirmation by the Company of the granting and continuance of the Collateral Agent's Liens, on behalf of the Holders, pursuant to the Collateral Documents.

ARTICLE 5
[RESERVED]

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE LOAN PARTIES

The Loan Parties hereby jointly and severally represent and warrant to the Purchasers as of the date hereof as follows:

6.1 Existence and Power. Each Loan Party: (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (b) has all requisite power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently, or is currently proposed to be, engaged; (c) is duly qualified as a foreign entity, licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that the failure to so qualify would not have a Material Adverse Effect; and (d) has the power and authority to execute, deliver and perform its obligations under each Transaction Document to which it is or will be a party and to borrow hereunder. The jurisdictions in which each Loan Party is organized and qualified to do business as of the Closing Date are listed on Schedule 6.1.

6.2 Corporate Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Transaction Document to which it is or will be a party and the consummation of the Transactions: (a) has been duly authorized by all necessary action; (b) do not and will not contravene or violate the terms of the Organizational Documents of such Loan Party or any amendment thereto or any Requirements of Law applicable to such Loan Party or such Loan Party's assets, business or properties; (c) to the knowledge of such Loan Party, do not and will not (i) conflict with, contravene, result in any violation or breach of or default under any material Contractual Obligation of such Loan Party (with or without the giving of notice or the lapse of time or both) other than any right to consent, which consents have been obtained, (ii) create in any other Person a right or claim of termination or amendment of any material Contractual Obligation of such Loan Party, or (iii) require modification, acceleration or cancellation of any material Contractual Obligation of such Loan Party, and (d) do not and will not result in the creation of any Lien (or obligation to create a Lien) against any property, asset or business of such Loan Party (other than Liens securing the Notes).

6.3 Governmental Authorization; Third Party Consents. Except as set forth on Schedule 6.3, no approval, consent, compliance, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person in respect of any Requirements of Law or material Contractual Obligation, and no lapse of a waiting period under any Requirements of Law or material Contractual Obligation, is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of the Transaction Documents to which it is a party or the consummation of the Transactions.

6.4 Binding Effect. Each Loan Party has duly executed and delivered the Transaction Documents to which it is a party and such Transaction Documents constitute the legal, valid and binding obligations of such Loan Party enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

6.5 [Reserved].

6.6 OFAC. Neither any Loan Party nor any Affiliate of any Loan Party: (a) is a Sanctioned Person, (b) has any assets in Sanctioned Entities, or (c) derives any operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. The proceeds of the Notes will not be used and have not been used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser, severally and not jointly, hereby represents and warrants as to itself only and not as to any other Purchaser as follows:

7.1 Authorization; No Contravention. The execution, delivery and performance by such Purchaser of this Agreement: (a) is within its power and authority and has been duly authorized by all necessary action; and (b) does not contravene the terms of its organizational documents or any amendment thereof.

7.2 Binding Effect. This Agreement has been duly executed and delivered by such Purchaser and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

7.3 No Legal Bar. The execution, delivery and performance of this Agreement by such Purchaser will not violate any Requirements of Law applicable to it.

7.4 Securities Laws.

(a) The Notes are being or will be acquired by such Purchaser hereunder for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in any transaction which would be in violation of state or federal securities laws or which would require the issuance and sale of the Notes hereunder to be registered under the Securities Act, subject, however, to the disposition of such Purchaser's property being at all times within its control.

(b) Such Purchaser is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(c) Such Purchaser understands that (i) the Notes constitute "restricted securities" under the Securities Act, (ii) the offer and sale of the Notes hereunder is not registered under the Securities Act or under any "blue sky" laws in reliance upon certain exemptions from such registration and that the Company is relying on the representations made herein by such Purchaser in its determination of whether such specific exemptions are available, and (iii) the Notes may not be transferred except pursuant to an effective registration statement under the Securities Act, or under an exemption from such registration

available under the Securities Act and under applicable "blue sky" laws or in a transaction exempt from such registration. Such Purchaser acknowledges that: (A) it has no right to require registration thereof under the Securities Act or any "blue sky" laws (except as otherwise provided in Section 8.15 hereof), and (B) there is not now and is not contemplated to be any public market therefor. As a result, such Purchaser is prepared to bear the economic risk of an investment in the Notes for an indefinite period of time.

(d) Such Purchaser (i) has been furnished with or has had access to all material books and records of the Company and all of its material Contractual Obligations, agreements and documents and (ii) has had an opportunity to ask questions of, and receive answers from, management and representatives of the Company and which representatives have made available to them such information regarding the Company and its current respective businesses, operations, assets, finances, financial results, financial condition and prospects in order to make a fully informed decision to purchase and acquire the Notes. Such Purchaser has generally such knowledge and experience in business and financial matters, and with respect to investments in securities of privately held companies, as to enable it to understand and evaluate the risks of an investment in the Notes and form an investment decision with respect thereto. The foregoing, however, does not limit or modify the representations and warranties set forth in Article 6 of this Agreement or in any other Transaction Document or the right of such Purchaser to rely thereon.

(e) Such Purchaser understands that the exemption from registration of resales of the Notes afforded by Rule 144 (the provisions of which are known to such Purchaser) promulgated pursuant to the Securities Act depends on the satisfaction of various conditions, including the requirement that the Company has been subject to the reporting requirements of Section 13 or Section 15 of the Securities Act for at least ninety (90) days and that, if applicable, Rule 144 affords the basis for such sales only in limited amounts and that the Company does not now qualify under Rule 144 and may not ever.

7.5 Governmental Authorization; Third Party Consent. No approval, consent, compliance, exemption or authorization of any Governmental Authority or any other Person in respect of any Requirements of Law, and no lapse of a waiting period under Requirements of Law, is necessary or required in connection with the execution, delivery or performance by it or enforcement against such Purchaser of this Agreement.

ARTICLE 8
AFFIRMATIVE COVENANTS

Until the payment of all principal of and interest on the Notes, the Loan Parties hereby jointly and severally covenant and agree with the Holders as follows:

8.1 Delivery of Financial and Other Information. Holdings will, and will cause its Subsidiaries to, maintain a system of accounting established and administered in accordance with GAAP (including reflecting in its financial statements adequate accruals and appropriations to reserves). In addition, Holdings shall deliver or cause to be delivered to each Holder the following:

(a) Annual Financial Statements. Within one hundred twenty (120) days after the close of each Fiscal Year, an unqualified audit report certified by independent certified public accountants selected by Holdings and reasonably acceptable to Required Holders, prepared in accordance with GAAP, including consolidated balance sheets of Holdings and its Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income, retained earnings and cash flows for such Fiscal Year, all such financial statements to be prepared in accordance with GAAP and accompanied by any management letter prepared by said accountants.

(b) Monthly Financial Statements. Within thirty (30) days after the close of each calendar month, an unaudited consolidated balance sheet of Holdings and its Subsidiaries and the related consolidated statements of income and cash flows for such month, and for the portion of Holdings' Fiscal Year ended at the end of such month, setting forth in each case in comparative form, the figures for the corresponding month, the corresponding portion of Holdings' previous Fiscal Year (as applicable) and the corresponding portion of Holdings' Fiscal Year as set forth in the budget provided to the Holders, in each case to the extent applicable, in reasonable detail and reasonably satisfactory in form to the Required Holders and all prepared in accordance with GAAP (subject to year-end adjustments and absence of footnotes) and certified by an officer of Holdings.

(c) Quarterly Financial Statements. For each month that is also the end of a Fiscal Quarter (commencing with the Fiscal Quarter ending on March 31, 2018), within forty-five (45) days after the end of Holdings' Fiscal Quarter, an unaudited consolidated balance sheet of Holdings and its Subsidiaries and the related consolidated statements of income and cash flows for such Fiscal Quarter, and for the portion of Holdings' Fiscal Year ended at the end of such Fiscal Quarter, setting forth in each case in comparative form, the figures for the corresponding Fiscal Quarter and the corresponding portion of Holdings' previous Fiscal Year (as applicable), in each case to the extent applicable, in reasonable detail and reasonably satisfactory in form to the Required Holders and all prepared in accordance with GAAP (subject to year-end adjustments and absence of footnotes) and certified by an officer of Holdings.

(d) Together with the annual financial statements required under Sections 8.1(a) and the quarterly financial statements required under Section 8.1(c), a compliance certificate (in the form attached hereto as Exhibit E, a "***Compliance Certificate***") signed by an officer of Holdings (i) evidencing the Loan Parties' compliance with the financial covenants contained in Section 8.13 hereof (if applicable), and (ii) stating whether there exists on the date of such certificate any Default or Event of Default and, if any Default or Event of Default then exists, setting forth the details thereof and the action any Loan Party is taking or propose to take with respect thereto; provided, however, that all calculations including any period prior to the Closing Date shall be based on the financial information with respect to the Debtors for such period and the Loan Parties provided on or prior to the Closing Date and with such historical adjustments as set forth in the respective financial definitions.

(e) Promptly upon receipt thereof, any reports (including, without limitation, any management letters and/or reports) submitted to any Loan Party or any Subsidiary (other than reports previously delivered pursuant to Section 8.1(a) and Section 8.1(b) above) by independent accountants in connection with any annual, interim or special audit made by them of the books of such Loan Party or Subsidiary.

(f) Promptly and in any event within five (5) Business Days after any Loan Party receives notice or otherwise becomes aware that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer of such Loan Party, describing said Reportable Event and the action which such Loan Party propose to take with respect thereto.

(g) Promptly and in any event within five (5) Business Days after receipt by any Loan Party, a copy of (i) any written notice or claim to the effect that such Loan Party or any of its Subsidiaries is or could reasonably be expected to be liable in any material amount to any Person as a result of the release by such Loan Party, any of its Subsidiaries or any other Person of any toxic or Hazardous Materials into the environment and (ii) any written notice alleging any violation of any Environmental Law by such Loan Party or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

(h) As soon as available, but in any event no later than thirty (30) days prior to the beginning of each Fiscal Year of the Loan Parties, consolidated balance sheet, income statement, and cash flow budgets and projections for Holdings and its Subsidiaries for such Fiscal Year on a quarter-by-quarter basis, all in form and detail reasonably acceptable to the Required Holders.

(i) Promptly after the filing thereof, copies of the annual federal and state income Tax Returns (and any requests for extension with respect thereto) of Holdings and each of its Subsidiaries for the immediately preceding year and, if requested by the Required Holders, copies of all material reports filed with any federal, state or local Governmental Authority.

(j) Promptly upon receipt by any Loan Party or any Subsidiary, notice of any default, oral or written, given to any such Person by any other creditor for Debt in excess of $50,000.

(k) Promptly upon obtaining knowledge thereof, written notice of (i) any termination of any material License and (ii) any claim, litigation, suit or administrative proceeding affecting any Loan Party or any Subsidiary, whether or not the claim is covered by insurance, and of any litigation, suit or administrative proceeding, which in any such case affects the Collateral or which could reasonably be expected to have a Material Adverse Effect.

(l) If any Loan Party or any Subsidiary shall be required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act, promptly upon its becoming available, one copy of each financial statement, report, notice or proxy statement sent by any such Person to stockholders generally, and, a copy of each annual, periodic or current report filed by any such Person with the Commission pursuant to such Sections, and any registration statement, or prospectus in respect thereof, filed by any such Person with any securities exchange or with federal or state securities and exchange commissions or any successor agency; provided, however, that nothing in this Section 8.1(k) shall require the Loan Parties or any of their Subsidiaries to make any filing under the Securities Act or the Exchange Act which such Loan Parties or their Subsidiaries are not otherwise obligated to make.

(m) Furnish Collateral Agent with immediate written notice in the event that (i) the Company or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which the Company or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) the Company or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which the Company or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan together with all communications received by the Company or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which the Company or any member of the Controlled Group was not previously contributing shall occur, (v) the Company or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) the Company or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) the Company or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) the Company or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment; or (ix) the Company or any member

of the Controlled Group knows that (A) a Multiemployer Plan has been terminated, (B) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (C) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

(n) Promptly and in any event within five (5) Business Days after receipt by any Loan Party or any Subsidiary, notice of any payment default, oral or written, given to such Loan Party or such Subsidiary by any lessor in connection with any lease by such Loan Party or such Subsidiary of real property.

(o) Promptly and in any event within five (5) Business Days, notice of any change in location of any store operated by any Loan Party.

(p) Such other information (including non-financial information) as any Holder may from time to time reasonably request.

8.2 Use of Proceeds. The Loan Parties shall use the proceeds of the sale of the Revolving Notes hereunder only as follows: (i) to fund the Chapter 11 Plan Payments, (ii) for the payment of fees and expenses in connection with the transactions contemplated hereunder and in the other Transaction Documents, and (iii) for general working capital requirements of the Loan Parties.

8.3 Notice of Default. Each Loan Party will give prompt notice in writing to the Holders upon becoming aware of the following: (a) the occurrence of any Default or Event of Default under this Agreement and specify the nature and period of existence thereof and what action such Loan Party is taking (and proposes to take) with respect thereto, (b) [reserved] and (c) any development or other information outside the ordinary course of business of such Loan Party or any of its Subsidiaries and excluding matters of a general economic, financial or political nature which could reasonably be expected to have a Material Adverse Effect.

8.4 Conduct of Business. Each Loan Party will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted to the extent that the failure to maintain such qualification would not reasonably be expected to have a Material Adverse Effect.

8.5 Taxes and Claims. Each Loan Party will, and will cause each of its Subsidiaries to, timely file United States federal and state and other material Tax Returns required by law and which Tax Returns shall be complete and correct in all material respects and pay when due all Taxes of such Loan Party or such Subsidiary, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP, which deferment of payment is permissible so long as no Lien other than a lien permitted hereunder has been entered and such Loan Party's and its Subsidiaries' title to, and its right to use, its Properties are not materially adversely affected thereby.

8.6 Insurance.

(a) Each Loan Party will, and will cause each of its Subsidiaries to, maintain insurance in such form and with such companies as are reasonably satisfactory to the Purchaser, on all its Property in such amounts and covering such risks as is consistent with sound business practice, and maintain such insurance as is required by the terms of any Collateral Document. Each Loan Party will,

and will cause each of its Subsidiaries to, furnish to the Holders upon request full information as to the insurance carried by it.

(b) Each Loan Party will, and will cause each of its Subsidiaries to, at all times keep its real and personal Property which is subject to the Lien of the Collateral Agent insured and cause such insurance relating to such Property or business to name the Collateral Agent on behalf of the Holders as an additional insured and loss payee, as appropriate. At or prior to the Closing, each Loan Party shall furnish certificates of insurance issued on applicable Acord Forms for such Loan Party. Each Loan Party will, and will cause each of its Subsidiaries to, notify the Holders, immediately, upon receipt of a notice of termination, cancellation, or non-renewal from its insurance company of any such policy or the Key Man Life Insurance Policy.

(c) If any Loan Party or any of its Subsidiaries shall fail to maintain all insurance in accordance with this Section 8.6 or Section 8.17 or to timely pay or cause to be paid the premium(s) on any such insurance, or if any Loan Party shall fail to deliver all certificates with respect thereto, the Holders shall have the right (but shall be under no obligation), upon prior written notice to such Loan Party or such Subsidiary, to procure such insurance or pay such premiums, and such Loan Party agrees to reimburse the Holders, on demand, for all costs and expenses relating thereto.

8.7 Compliance with Laws. Each Loan Party will, and will cause each of its Subsidiaries to, comply with any and all Requirements of Law to which it may be subject including, without limitation, all Environmental Laws and obtain any and all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its Property or to the conduct of its businesses, except where failure to do so could not reasonably be expected to have a Material Adverse Effect. Each Loan Party will, and will cause each of its Subsidiaries to, timely satisfy all material assessments, fines, costs and penalties imposed (after exhaustion of all appeals, provided a stay has been put in effect during such appeal) by any Governmental Authority against such Person or any Property of such Person.

8.8 Maintenance of Properties. Each Loan Party will, and will cause each of its Subsidiaries to, do all things necessary to maintain, preserve, protect and keep its Property (other than Property that is obsolete, surplus, or no longer used or useful in the ordinary conduct of its business) in good repair, working order and condition, make all necessary and proper repairs, renewals and replacements such that its business can be carried on in connection therewith and be properly conducted at all times and pay and discharge when due the cost of repairs and maintenance to its Property, and pay all rentals when due for all real estate leased by such Person.

8.9 Audits and Inspection. Each Loan Party will, and will cause each of its Subsidiaries to, permit any of the representatives of the Collateral Agent, at reasonable times during normal business hours and upon reasonable prior notice, to visit and inspect any of its Property, books of account, records and reports to examine, audit and make copies thereof, and to discuss its affairs, finances and accounts with, and to be advised as to the same by, its officers, employees and independent certified public accountants at such reasonable times and intervals as the Holders may designate, all at such Loan Party's expense, plus the Holders' reasonable out-of-pocket expenses (including without limitation any travel expenses).

8.10 Issue Taxes. Each Loan Party shall pay all stamp duty or other such issuance Taxes (other than Taxes based upon or measured by the Holders' income or revenues or any personal property Tax), if any, in connection with the issuance of the Notes, excluding, for the avoidance of doubt, any income Tax.

8.11 Employee Benefit Plans. Each Loan Party will, and will cause each of its Subsidiaries to, (a) keep in full force and effect any and all Plans which are presently in existence or may, from time to

time, come into existence under ERISA and not withdraw from any such Plans, unless such withdrawal can be effected or such Plans can be terminated without liability to such Loan Party or its Subsidiaries, (b) make contributions to all such Plans in a timely manner and in a sufficient amount to comply with the standards of ERISA, including, without limitation, the minimum funding standards of ERISA, (c) comply in all material respects with all applicable requirements of ERISA, (d) notify the Holders promptly upon receipt by such Loan Party or any Subsidiary of any notice concerning the imposition of any withdrawal liability or of the institution of any proceeding or other action which may result in the termination of any such Plans or the appointment of a trustee to administer such Plans, (e) promptly advise the Holders of the occurrence of any Reportable Event or prohibited transaction (as defined in ERISA) with respect to any such Plans, and (f) amend any Plan that is intended to be qualified within the meaning of Section 401 of the Code to the extent necessary to keep the Plan qualified and to cause the Plan to be administered and operated in a manner that does not cause the Plan to lose its qualified status.

8.12 Environmental Covenants.

(a) The Loan Parties shall, and shall cause each of its Subsidiaries to, (i) maintain compliance with any applicable Environmental Laws, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect, and (ii) dispose of any and all Hazardous Materials generated at or by such Loan Party's or any Subsidiary's Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Law, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect.

(b) In the event any Loan Party or its Subsidiaries has direct or indirect knowledge of, or obtains, gives or receives notice of any visible signs of releases, spills, discharges, leaks or disposal (collectively referred to as "***Releases***") or threat of Release of a reportable quantity of any Hazardous Materials at or by such Loan Party's or any Subsidiary's Property (any such event being hereinafter referred to as a "***Hazardous Discharge***") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at or caused by such Loan Party's or any Subsidiary's Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting or caused by such Loan Party's or any Subsidiary's Property or such Loan Party's or its Subsidiaries' interest therein (any of the foregoing is referred to herein as an "***Environmental Complaint***") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which the Property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "***Authority***"), then each Loan Party shall, within five (5) Business Days, give written notice of same to the Holders detailing facts and circumstances of which such Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow the Holders to protect their security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon the Purchasers or any Holder with respect thereto.

(c) Each Loan Party shall promptly forward to the Holders copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Materials at any other site owned, operated or used by such Loan Party or any Subsidiary to dispose of Hazardous Materials and shall continue to forward copies of correspondence between such Loan Party or any Subsidiary and the Authority regarding such claims to the Holders until the claim is settled. Each Loan Party shall promptly forward to the Holders copies of all documents and reports concerning a Hazardous Discharge that such Loan Party or any Subsidiary are required to file under any Environmental Laws. Such information is to be provided solely to allow the Holders to protect the Holders' security interest in and Lien on the Collateral.

(d) The Loan Parties shall respond promptly to any Hazardous Discharge or Environmental Complaint that could in either case reasonably be expected to result in a Material Adverse Effect, and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral to any Lien other than a Permitted Lien. If the Loan Parties shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or the Loan Parties shall fail to comply with any of the requirements of any Environmental Laws, which failure could reasonably be expected to result in a Material Adverse Effect, the Holders may, but without the obligation to do so, for the sole purpose of protecting the Holders' interest in the Collateral: (A) give such notices or (B) enter onto such Loan Party's or any Subsidiary's Property (or authorize third parties to enter onto the Property) and take such actions as the Required Holders (or such third parties as directed by the Required Holders) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by the Holders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate shall be paid upon demand by Loan Parties, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between the Holders and the Company or the other Loan Parties.

(e) The Loan Parties shall defend and indemnify the Purchasers and any subsequent Holders and hold the Purchaser, subsequent Holders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred by the Purchasers or subsequent Holders under or on account of any Environmental Laws, including the assertion of any Lien thereunder, with respect to any Hazardous Discharge, including any loss of value of the Collateral as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of the Purchasers or any subsequent Holder. The Loan Parties' obligations under this Section 8.12 shall arise upon the discovery of the presence of any Hazardous Discharge, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials. Each Loan Party's and its Subsidiaries' obligations and the indemnifications hereunder shall survive the termination of this Agreement.

8.13 Financial Covenants. Holdings and its Subsidiaries, on a consolidated basis, shall:

(a) Maximum Leverage Ratio. Maintain a Leverage Ratio as of the last day of each Fiscal Quarter of not more than the ratio set forth across from such date below:

Fiscal Quarter Ending	**Leverage Ratio**
December 31, 2018	3.25:1.00
March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019	3.00:1.00
March 31, 2020 and thereafter	2.50:1.00

(b) Minimum Fixed Charge Coverage Ratio. Maintain a Fixed Charge Coverage Ratio for the immediately preceding four Fiscal Quarter Period as of the last day of each Fiscal Quarter of not less than 1.20:1.00.

(c) Minimum EBITDA. Achieve cumulative EBITDA for the Fiscal Year ending December 31, 2018 as of the end of each month thereof as set forth below:

Month	**Minimum EBITDA**
February 2018	$639,339
March 2018	$1,487,712
April 2018	$2,483,870
May 2018	$2,870,359
June 2018	$2,510,809
July 2018	$2,154,730
August 2018	$1,946,843
September 2018	$1,527,166
October 2018	$1,145,435
November 2018	$2,789,914
December 2018	$5,422,018

8.14 Delivery of Information by Holders. Each Holder is hereby authorized to deliver a copy of any financial statement or other information made available by the Loan Parties or their Subsidiaries in connection herewith to any regulatory authority having jurisdiction over such Holder, pursuant to any request therefor by such regulatory authority, and may further divulge to any assignee or purchaser of any portion of the Notes or any prospective assignee or purchaser of any portion of the Notes, all information, and furnish to such Person copies of any reports, financial statements, certificates, and documents obtained under any provision of this Agreement, or related agreements and documents, provided that such prospective assignee or purchaser shall agree to maintain the confidentiality of such information.

8.15 Execution of Supplemental Documents. Execute and deliver to Collateral Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Collateral Agent may reasonably request, in order that the full intent of this Agreement or the Security Agreement, as applicable, may be carried into effect.

8.16 Acquisition of Real Property. Each Loan Party will, and will cause each of its Subsidiaries to, notify the Collateral Agent within thirty (30) days after the acquisition of any owned or leased real property by any Loan Party or any Subsidiary and, within sixty (60) days following written request by the Collateral Agent, such Loan Party or such Subsidiary will execute and deliver, or will cause to be executed and delivered, such mortgages, deeds of trust, leasehold deeds of trust, title insurance policies, environmental reports, surveys, landlord waivers and other documents reasonably requested by the Collateral Agent in connection with granting and perfecting a first priority Lien on such real property in

favor of the Collateral Agent on behalf of the Holders, all in form and substance reasonably satisfactory to the Collateral Agent.

8.17 **Key Man Life Insurance**. Commencing not later than sixty (60) days after the Closing Date (unless such time period is extended by the Collateral Agent in its sole discretion), the Company shall obtain and maintain a key man life insurance policy for the benefit of the Company in the amount of at least $5,000,000 on John Grosso (the "***Key Man Life Insurance Policy***"), which such policy shall be collaterally assigned to the Collateral Agent, for the benefit of the Holders. Once the Key Man Life Insurance Policy is in place (and collaterally assigned to the Collateral Agent) the Company shall make all payments and perform all obligations required pursuant to the Key Man Life Insurance Policy so that the Key Man Life Insurance Policy remains in good standing and in place, all in form and substance satisfactory to the Collateral Agent.

8.18 **Board Observer**. Holdings shall give the Holders notice of (in the same manner as notice is given to directors), and permit (a) one Person designated by the Collateral Agent to attend as observer, all meetings of the Board and the board of directors (or equivalent governing body) of each Subsidiary and all executive and other committee meetings of such boards and shall provide to the Holders the same information, and access thereto, provided to members of each such board and each such committee; provided, that Holdings may exclude any such observer from any portion of a meeting, and Holdings shall not be obligated to deliver written information to such observer, if attendance at such portion of a meeting or delivery of such information would impair any legal privilege available to Holdings. The Board shall meet at least once every fiscal quarter and at least one of such meetings during any calendar year shall be held in person at the corporate headquarters of the Company. The reasonable travel expenses incurred by each such designee of the Holders in attending all board or committee meetings shall be reimbursed by the Company.

8.19 **Further Assurances**. Each Loan Party will, and will cause each of its Subsidiaries to, take any action reasonably requested by the Required Holders in order to effectuate the purposes and terms contained in this Agreement and any of the Note Documents.

ARTICLE 9
NEGATIVE COVENANTS

Until the payment of all principal of and interest on the Notes, the Loan Parties hereby jointly and severally covenant and agree with the Holders as follows:

9.1 **Limitations on Debt**. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Debt, except:

(a) the Obligations;

(b) Debt existing on the date hereof and set forth on Schedule 9.1(b);

(c) Capitalized Lease Obligations permitted by Section 9.11;

(d) [reserved];

(e) unsecured Debt of any Loan Party to any other Loan Party so long as such Debt is subordinate to the Obligations and pledged to the Collateral Agent pursuant to the Note Documents; or

(f) other Debt in an amount not to exceed $100,000 at any time outstanding.

9.2 **Liens**. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create or permit to exist any Lien on any of its real or personal properties, assets or rights of whatsoever nature (whether now owned or hereafter acquired), except:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as Liens of landlords, carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by law) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any deposits or advances for borrowed money or the deferred purchase price of property or services, and, in each case, for which it maintains adequate reserves;

(c) Liens on assets arising out of pledge or deposits under workers' compensation, unemployment insurance, old age pension, social security, retirement benefits or similar legislation in the ordinary course of business consistent with past practice;

(d) [Reserved];

(e) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Loan Parties;

(f) Liens securing the Obligations; and

(g) Liens arising pursuant to Capitalized Lease Obligations permitted by Section 9.11.

9.3 Restricted Payments. Except for (i) Tax Distributions as required by Article III of the Holdings LLC Agreement or similar provisions in the Organizational Documents of the Company ~~and~~, (ii) so long as no ~~Default or~~ Event of Default has occurred and is continuing or would result from the payment thereof, payment of the Preferred Dividend (including dividends from the Company and/or Subsidiaries of Holdings to each other and to Holdings in connection therewith)~~,~~ and (iii) dividends and distributions to the Company or any Subsidiary of Holdings and dividends or distributions to Holdings to the extent necessary to permit Holdings to maintain its legal existence and to pay reasonable out-of-pocket general administrative costs and expenses incurred in connection therewith or in connection with any dividend or distribution permitted under this Section 9.3, no Loan Party shall (a) declare or pay any dividends on any of its Capital Stock (other than dividends payable solely in additional Capital Stock), (b) purchase or redeem any Capital Stock, (c) make any other distribution to holders of its Capital Stock (other than the issuance of Capital Stock in respect thereof, to directors, officers and employees), (d) prepay, purchase or redeem any other Debt that is subordinated to the Obligations, or (e) set aside funds for any of the foregoing ~~other than dividends and distributions to another Loan Party; provided, however, that no Loan Party shall make any dividend or distributions to Holdings except to the extent necessary to permit Holdings to maintain its legal existence and to pay reasonable out of pocket general administrative costs and expenses incurred in connection therewith or in connection with any dividend or distribution permitted under this Section 9.3~~.

9.4 Loans. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, make any loans or pay any advances of any nature whatsoever to any Person, except advances in the ordinary course of business to (a) vendors, suppliers and contractors and (b) officers, managers and employees for travel and other business expenses in accordance with the policies of such Loan Party or such Subsidiary.

9.5 Investments. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, make or suffer to exist any investments or commitments therefor, without the Required Holders' prior written consent, except (a) short term obligations of, or fully guaranteed by, the United States of America, commercial paper rated A-1 or better by Standard and Poor's Rating Services or P-1 or better by Moody's Investor Services, Inc., demand deposit accounts maintained in the ordinary course of business, and certificates of deposit issued by and time deposits with domestic commercial banks having

capital and surplus in excess of $100,000,000; (b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sales of goods or services to unaffiliated third parties in the ordinary course of business; (c) investments received in connection with any Insolvency Proceedings in respect of any customers, suppliers or clients of any Loan Party; and (d) investments in the Subsidiaries existing on the date hereof.

9.6 Mergers, Consolidations, Sales. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, without the prior written consent of the Required Holders, be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, except in the ordinary course of its business, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any receivables, unless in connection with any such transaction all amounts owing under the Notes are paid in full. Notwithstanding the foregoing provisions of this Section 9.6, (a) any Subsidiary of the Company may be merged or consolidated with or into the Company and (b) any Subsidiary of the Company may sell, lease, transfer or otherwise dispose of its Property (upon voluntary liquidation or otherwise) to the Company.

9.7 Subsidiaries. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, create any additional Subsidiary or invest in or acquire minority interests in any other entity without the prior written consent of the Collateral Agent. Subject to the preceding sentence, if any Loan Party creates, forms or acquires any Subsidiary on or after the Closing Date, such Loan Party shall notify the Holders of the creation or acquisition of such Subsidiary and:

(a) Additional Domestic Subsidiaries. With respect to the formation or acquisition of a domestic Subsidiary of any Loan Party, will promptly thereafter (and in any event within thirty (30) days after such creation or acquisition), cause such Person to (i) grant to the Collateral Agent for the ratable benefit of the Holders, a perfected security interest in, and Lien on, all Collateral owned by such Person by delivering to the Collateral Agent a duly executed supplement to each Collateral Document or such other document as the Collateral Agent shall deem appropriate for such purpose and comply with the terms of each Collateral Document, (ii) deliver to the Collateral Agent, such original Capital Stock or other certificates and stock or other transfer powers evidencing the Capital Stock of such Person (if such Capital Stock is certificated), (iii) guarantee the payment and performance of the Obligations by delivering to the Collateral Agent a duly executed guaranty agreement or such other document as the Collateral Agent shall deem appropriate for such purpose, (iv) deliver to the Collateral Agent such documents and certificates referred to in Section 4.1 as may be reasonably requested by the Collateral Agent, (v) deliver to the Collateral Agent such updated schedules to the Note Documents as requested by the Collateral Agent with regard to such Person and (vi) deliver to the Collateral Agent such other documents as may be reasonably requested by the Collateral Agent, in each case, in form, content and scope reasonably satisfactory to the Collateral Agent.

(b) Additional Foreign Subsidiaries. With respect to the formation or acquisition of a first-tier foreign Subsidiary of any Loan Party, will promptly thereafter (and in any event within forty-five (45) days after such creation or acquisition), cause (i) such Loan Party to deliver to the Collateral Agent Collateral Documents pledging sixty-five percent (65%) of the total outstanding Capital Stock of such new foreign Subsidiary and a consent thereto executed by such new foreign Subsidiary (including, without limitation, if applicable, original stock certificates (or the equivalent thereof pursuant to the Requirements of Law and practices of any relevant foreign jurisdiction) evidencing the Capital Stock of such new foreign Subsidiary, together with an appropriate undated stock power for each certificate duly executed in blank by the registered owner thereof), (ii) such Person to deliver to the Collateral Agent such documents and certificates referred to in Section 4.1 as may be reasonably requested by the Collateral Agent, (iii) such Person to deliver to the Collateral Agent such updated schedules to the Note Documents as requested by the Collateral Agent with regard to such Person and (iv) such Person to deliver to the Collateral Agent such

other documents as may be reasonably requested by the Collateral Agent, in each case, in form, content and scope reasonably satisfactory to the Collateral Agent.

9.8 Amendment to Organizational Documents. No Loan Party will amend, modify or waive any term or material provision of such Loan Parties' Organizational Documents unless (a) required by law or (b) such amendment, modification or waiver could not reasonably be expected to have a material adverse effect on the Holders' rights under the Transaction Documents (including in their capacity as holders of the Capital Stock of Holdings) or any Loan Party's obligations under the Transaction Documents, and the Loan Parties provide the Holders prior written notice of such amendment, modification or waiver.

9.9 Restrictive Agreements. No Loan Party will be or become, or cause or permit any Subsidiary to be or become, a party to any contract or agreement which at the time of becoming a party to such contract or agreement materially limits such Person's ability to perform under this Agreement or under any other Transaction Document without the prior written consent of the Holders.

9.10 Use of Holders' Names. No Loan Party shall, or permit any Subsidiary to, use any Holder's name in connection with any of its business operations without the prior written consent of such Holder.

9.11 Capital Expenditures. No Loan Party shall make, or cause or permit any Subsidiary to make, any Capital Expenditure or enter into any Capitalized Lease if the sum of (a) the aggregate amount of all Capital Expenditures (including the Capital Expenditure in question) made by the Loan Parties and their Subsidiaries, determined on a consolidated basis, during any Fiscal Year plus (b) the aggregate amount of all expenditures under Capitalized Leases (including the Capitalized Lease in question) made or required to be made by the Loan Parties and their Subsidiaries, determined on a consolidated basis during such Fiscal Year would exceed (i) for all maintenance Capital Expenditures, $1,000,000 and (ii) for all other Capital Expenditures and Capital Leases, the amount set forth in the annual budget approved by the Board and delivered to the Holders pursuant to Section 8.1(h).

9.12 Business of Holdings. Holdings shall not engage in any business, incur any Debt, liability or obligation or own any asset other than the ownership of the Capital Stock of the Company and the performance of its obligations set forth in the Transaction Documents. From and after the Closing Date, Holdings shall not be party to any Contractual Obligation (other than the Transaction Documents), including, without limitation, any Contractual Obligation with any customer or supplier in connection with the Loan Parties' business.

9.13 Transactions with Affiliates; Management Compensation.

(a) No Loan Party shall, nor permit any of its Subsidiaries to, directly or indirectly enter into or permit to exist any material transaction with any Affiliate of any Loan Party or any of its Subsidiaries except for the transactions set forth on Schedule 9.13 or other transactions that are in the ordinary course of any Loan Parties' and its Subsidiaries' business, upon fair and reasonable terms that are no less favorable to such Loan Party or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person.

(b) Without limitation of the foregoing, each Loan Party shall strictly enforce all non-compete or similar agreements between such Loan Party and its employees, officers, directors and Affiliates, and shall not permit any such Person to conduct any business in competition with or relating to the business of any Loan Party except through and for the benefit of the Loan Parties.

9.14 Amendment to Transaction Documents. No Loan Party or any Subsidiary thereof shall amend or modify (or permit the modification or amendment of) any term or provision of any Transaction Document without the prior written consent of the Required Holders.

9.15 Additional Negative Pledges. Create or otherwise cause or suffer to exist or become effective, directly or indirectly, (a) any prohibition or restriction (including any agreement to provide equal and ratable security to any other Person in the event a Lien is granted to or for the benefit of Collateral Agent and the Holders) on the creation or existence of any Lien upon the assets of the Company, other than Permitted Liens or (b) any Contractual Obligation which may restrict or inhibit Collateral Agent's rights or ability to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

9.16 Use of Proceeds. No Loan Party shall use any proceeds of the sale of the Notes hereunder to, directly or indirectly, purchase or carry any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any "margin stock" in violation of the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

9.17 Fiscal Year and Accounting Changes. No Loan Party shall change its fiscal year from December 31 or make any significant change (a) in accounting treatment and reporting practices except as required by GAAP or (b) in tax reporting treatment except as required by law.

ARTICLE 10
[RESERVED]

ARTICLE 11
EVENTS OF DEFAULT

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "***Event of Default***":

(a) Default in the payment, after such amounts become due, of the principal of the Notes (whether at redemption, upon acceleration or otherwise);

(b) Default in the payment, within three (3) Business Days after such amounts become due, of the interest on the Notes (whether at redemption, upon acceleration or otherwise) or any other amount payable by any Loan Party hereunder or under any of the Note Documents;

(c) Any representation, warranty, or financial statement made by or on behalf of any Loan Party in any of the Transaction Documents, or any document contemplated by the Transaction Documents, is incorrect in any material respect (or in any respect if such representation, warranty, or financial statement is by its terms already qualified as to materiality) when made (or deemed made);

(d) Failure by Holdings or any of its Subsidiaries to comply with any term, covenant or provision contained in Sections 8.2, 8.13 or 8.18 or Article 9 of this Agreement;

(e) Failure by any Loan Party to comply with or to perform any other provision of this Agreement (and not constituting an Event of Default under any other provision of this Article 11) and such failure continues unremedied for a period of thirty (30) days (or such longer period as may be agreed to by the Collateral Agent) after the earlier of (i) written notice thereof is received by the Borrowers in accordance with Section 13.2 or (ii) a Loan Party obtains knowledge of such failure;

(f) Failure of any Loan Party or any Subsidiary to pay within five (5) days from the date due any payments under any Debt exceeding $100,000; or the default by such Loan Party or any Subsidiary in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any agreement under which any such Debt exceeding $100,000 was

created or is governed (after the expiration of any applicable cure period, if any), or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Debt to cause, such Debt to become due prior to its stated maturity; or any such Debt of any Loan Party or any Subsidiary shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof;

(g) After the passing of any notice and opportunity to cure provided in such agreement, default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by any Loan Party or any Subsidiary with respect to any material purchase or lease of goods or services of $100,000 or more;

(h) Any Loan Party or any Subsidiary (i) ceases or fails to be solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing;

(i) Any involuntary Insolvency Proceeding is commenced or filed against any Loan Party or any Subsidiary, or any writ, judgment, warrant of attachment, warrant of execution or similar process is issued or levied against a substantial part of any Loan Party's or Subsidiary's properties, and such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, warrant of execution or similar process shall not be released, vacated or fully bonded within sixty (60) days after commencement, filing or levy; (ii) any Loan Party or any Subsidiary admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Loan Party or any Subsidiary acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor) or other similar Person for itself or a substantial portion of its property or business;

(j) One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against a Loan Party or any Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), as to any single or related series of transactions, incidents or conditions, of $100,000 or more, and the same shall remain unvacated and unstayed pending appeal for a period of thirty (30) days after the entry thereof;

(k) Any non-monetary judgment, order or decree is entered against a Loan Party or any Subsidiary which has or would reasonably be expected to have a Material Adverse Effect, and there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(l) Any Collateral Document shall cease to be in full force and effect; or any Loan Party or any Person by, through or on behalf of any Loan Party, shall contest the validity or enforceability of any Collateral Document;

(m) The occurrence of a Change of Control;

(n) Any Material Adverse Effect occurs;

(o) The Security Agreement shall fail to secure a valid and perfected first priority lien on any Collateral (as defined in the Security Agreement), including, without limitation, one hundred percent

(100%) of the Capital Stock of the Company and any other Subsidiary of Holdings (subject to any grace period set forth in Section 9.7); or

(p) the Effective Date does not occur within one (1) Business Day following the Closing Date.

11.2 Acceleration. If an Event of Default occurs under Section 11.1(g), (h) or (i), then the outstanding principal of and interest on the Notes shall automatically become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived. If any other Event of Default occurs and is continuing, the Required Holders, by written notice to the Company, may declare the principal of and interest on the Notes to be due and payable immediately. Upon any such declaration of acceleration, such principal and interest shall become immediately due and payable, each holder of any Note shall be entitled to exercise all of its rights and remedies hereunder and under its Note whether at law or in equity.

11.3 Set-Off. Upon the occurrence and during the continuation of an Event of Default, in addition to all other rights and remedies that may then be available to any Holder of Notes, each such Holder is hereby authorized at any time and from time to time, without notice to the Company (any such notice being expressly waived by the Company) to set off and apply any and all indebtedness at any time owing by such Holder to or for the credit or the account of the Company or its Subsidiaries against all amounts which may be owed to such Holder by the Company or its Subsidiaries in connection with this Agreement or any Notes. If any Holder of Notes shall obtain from any Company payment of any principal of or interest on any Note or payment of any other amount under this Agreement or any Note held by it or any other Note Document through the exercise of any right of set-off, and, as a result of such payment, such Holder shall have received a greater percentage of the principal, interest or other amounts then due hereunder by the Company to such Holder than the percentage received by any other Holders, it shall promptly make such adjustments with such other Holders from time to time as shall be equitable, to the end that all the Holders of Notes shall share the benefit of such excess payment (net of any expenses which may be incurred by such Holder in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal and/or interest on the Notes or other amounts (as the case may be) owing to each of the Holders of the Notes. To such end all the Holders of the Notes shall make appropriate adjustments among themselves if such payment is rescinded or must otherwise be restored. Any Holder of any Note taking action under this Section 11.3 shall promptly provide notice to the Company of any such action taken; provided, that the failure of such Holder to provide such notice shall not prejudice its rights hereunder.

11.4 Cumulative Remedies. The enumeration of the rights and remedies of the Collateral Agent and the Holders set forth in this Agreement is not intended to be exhaustive and the exercise by the Collateral Agent and/or the Holders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Note Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Collateral Agent or any Holder in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Company, the Collateral Agent and the Holders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Note Documents or to constitute a waiver of any Event of Default.

ARTICLE 12
INDEMNIFICATION

12.1 Indemnification. In addition to all other sums due hereunder or provided for in this Agreement, Holdings and its Subsidiaries, jointly and severally, shall indemnify and hold harmless each Purchaser and its Affiliates and their respective officers, directors, agents, employees, Subsidiaries, partners, members, attorneys, accountants and controlling persons (each, an "***Indemnified Party***") to the fullest extent permitted by law from and against any and all losses, claims, damages, expenses (including, without limitation, reasonable fees, disbursements and other charges of counsel and costs of investigation incurred by an Indemnified Party in any action or proceeding between Holdings or any of its Subsidiaries and such Indemnified Party (or Indemnified Parties) or between an Indemnified Party (or Indemnified Parties) and any third party or otherwise) or other liabilities or losses (collectively, "***Liabilities***"), in each case resulting from or arising out of any breach of any representation or warranty, covenant or agreement of Holdings or any of its Subsidiaries in this Agreement or any other Note Document, including without limitation, the failure to make payment when due of amounts owing pursuant to this Agreement or any other Note Document, on the due date thereof (whether at the scheduled maturity, by acceleration or otherwise) or any legal, administrative or other actions (including, without limitation, actions brought by any holders of equity or Debt of Holdings or any of its Subsidiaries or derivative actions brought by any Person claiming through or in Holdings' or any of its Subsidiaries' name), proceedings or investigations (whether formal or informal), or written threats thereof, based upon, relating to or arising out of the Note Documents, the transactions contemplated thereby, or any Indemnified Party's role therein or in the transactions contemplated thereby; provided, however, that Holdings and its Subsidiaries shall not be liable under this Section 12.1 to an Indemnified Party to the extent such Liabilities resulted primarily from the willful misconduct or gross negligence of such Indemnified Party; provided, further, that if and to the extent that such indemnification is unenforceable for any reason, Holdings and its Subsidiaries, jointly and severally, shall make the maximum contribution to the payment and satisfaction of such Liabilities which shall be permissible under Requirements of Law. In connection with the obligation of Holdings and its Subsidiaries to indemnify for expenses as set forth above, each of Holdings and its Subsidiaries further agrees, upon presentation of appropriate invoices containing reasonable detail, to reimburse each Indemnified Party for all such reasonable expenses (including, without limitation, fees, disbursements and other charges of counsel and costs of investigation incurred by an Indemnified Party in connection with any Liabilities) as they are incurred by such Indemnified Party.

12.2 Procedure; Notification. Each Indemnified Party under this Article 12 will, promptly after the receipt of notice of the commencement of any action, investigation, claim or other proceeding against such Indemnified Party in respect of which indemnity may be sought from Holdings and its Subsidiaries under this Article 12, notify Holdings in writing of the commencement thereof. The omission of any Indemnified Party to so notify Holdings of any such action shall not relieve Holdings or any of its Subsidiaries from any liability which it may have to such Indemnified Party unless, such omission substantially and irrevocably impairs Holdings' or any of its Subsidiaries' ability to defend the action, claim or other proceeding. In case any such action, claim or other proceeding shall be brought against any Indemnified Party and it shall notify Holdings of the commencement thereof, Holdings shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to such Indemnified Party in its reasonable judgment; provided, that any Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any action, claim or proceeding in which Holdings or any of its Subsidiaries, on the one hand, and an Indemnified Party, on the other hand, is, or is reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel at Holdings' or such Subsidiary's expense and to control its own defense of such action, claim or proceeding if, in the reasonable opinion of counsel to such Indemnified Party, a conflict or potential conflict exists between Holdings or any of its Subsidiaries, on the one hand, and such Indemnified Party, on the other hand, that would make such separate representation advisable; provided, that in no event shall Holdings or any of its Subsidiaries be required to pay fees and expenses under this Article 12 for more than one firm of attorneys in any jurisdiction in any one legal action or group of related legal actions. Each of Holdings and its Subsidiaries agrees that it will not, without the prior written consent of the Required

Holders, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of the Purchasers and each other Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding. The rights accorded to Indemnified Parties hereunder shall be in addition to any rights that any Indemnified Party may have at common law, by separate agreement or otherwise.

ARTICLE 12A
AGENCY PROVISIONS

12A.1 Appointment and Authority. Each Holder hereby irrevocably appoints CapitalSouth III to act on its behalf as Collateral Agent hereunder and under all of the other Collateral Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article 12A are solely for the benefit of the Collateral Agent and the Holders, and no other party shall have rights as a third party beneficiary of any of such provisions.

12A.2 Rights as a Holder. The Person serving as Collateral Agent hereunder shall have the same rights and powers in its capacity as a Holder as any other Holder and may exercise the same as though it were not Collateral Agent and the term "Holder" or "Holders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Collateral Agent hereunder in its individual capacity.

12A.3 Exculpatory Provisions/Indemnification. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Note Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that the Collateral Agent is required to exercise as directed in writing by the Required Holders (or such other number or percentage of Holders as shall be expressly provided for herein or in the other Note Documents), provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Note Document or Requirements of Law; and

(c) shall not, except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as Collateral Agent or any of its Affiliates in any capacity.

The Collateral Agent shall not be liable for any action taken or not taken by it in the absence of its own gross negligence or willful misconduct. The Collateral Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Collateral Agent by the Company or a Holder.

The Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into

(i) any statement, warranty or representation made in or in connection with Security Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in any Note Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

By accepting the benefits of this Agreement, each Holder severally agrees (A) to reimburse the Collateral Agent, on demand, in the amount of its ratable share from time to time (based on the principal amount of Notes of such Holder) for any expenses referred to in this Agreement or in any document securing Obligations owed to such Holder and/or any other reasonable expenses incurred by the Collateral Agent in connection with the enforcement and protection of the rights of the Collateral Agent ~~and~~for the benefit of the Holders which shall not have been paid or reimbursed by the Company or paid from the proceeds of Collateral or as provided herein or therein and (B) to indemnify and hold harmless the Collateral Agent and its Affiliates (other than any other Holder) and its and their respective directors, officers, employees, agents and attorneys on demand, in the amount of such ratable share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements referred to in this Agreement and/or incurred by the Collateral Agent in connection with this Agreement or in any document securing the Obligations or the enforcement and protection of the rights of Holders, to the extent the same shall not have been reimbursed by the Company or paid from the proceeds of Collateral as provided herein; provided, in each case, that no Holder shall be liable to the Collateral Agent and its Affiliates and its and their respective directors, officers, employees, agents and attorneys for any portion of such expenses, liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of any such Person.

12A.4 Reliance by the Collateral Agent. The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12A.5 Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Note Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article 12A shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

12A.6 Resignation of Collateral Agent. The Collateral Agent may at any time give notice of its resignation to each Holder and the Company. Upon receipt of any such notice of resignation, the Required Holders shall have the right, in consultation with the Company, to appoint a successor. If no such successor shall have been so appointed by the Required Holders and shall have accepted such appointment within thirty (30) days after the retiring Collateral Agent gives notice of its resignation, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Note Documents and (b) all payments, communications and determinations provided to be made by, to or through the

Collateral Agent shall instead be made by or to each Holder directly, until such time as the Required Holders appoint a successor Collateral Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Collateral Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Collateral Agent, and the retiring Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other Note Documents (if not already discharged therefrom as provided above in this paragraph). After the retiring Collateral Agent's resignation hereunder and under the other Note Documents, the provisions of this Article 12A shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

12A.7 Collateral Matters. Holders irrevocably authorize the Collateral Agent, subject to the approval of the Required Holders, at its option and in its discretion,

(a) to release any Lien on any Collateral granted to or held by the Collateral Agent, for the ratable benefit of itself and the Holders, under this Agreement or any other Note Document (A) upon repayment in full of the Obligations, (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Note Document, or (C) subject to the terms of this Agreement, if approved, authorized or ratified in writing by the Required Holders; and

(b) to subordinate any Lien on any Collateral granted to or held by the Collateral Agent under any Note Document to the holder of any Lien on such Collateral that is permitted under this Agreement or any other Note Document.

Upon request by the Collateral Agent at any time, the Holders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 12A.7.

12A.8 Sharing of Collateral. Until all of the Obligations are paid in full, all Collateral or proceeds thereof received by any Holder other than the Collateral Agent, in connection with the exercise of any right or remedy relating to the Collateral or otherwise shall be segregated and held in trust and forthwith paid over or delivered (a) to the Collateral Agent, for the ratable benefit of itself and the other Holders, in the same form as received together with any necessary endorsements, or (b) as a court of competent jurisdictions may otherwise direct.

ARTICLE 13
MISCELLANEOUS

13.1 Survival of Representations and Warranties. All of the representations and warranties made herein shall survive the execution and delivery of this Agreement, any investigation by or on behalf of the Purchasers, acceptance of the Notes and payment therefor, or termination of this Agreement.

13.2 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier (with receipt confirmed), courier service or personal delivery:

(a) if to the Collateral Agent:

CapitalSouth Partners SBIC Fund III, L.P.
4201 Congress Street - Suite 360
Charlotte, North Carolina 28209

Facsimile: (704) 376-5877
Attention: Joseph B. Alala, III

With a copy (which shall not constitute notice) to:

K&L Gates LLP
214 North Tryon Street, 47th Floor
Charlotte, NC 28202
Facsimile: (704) 353-3184
Attention: T. Richard Giovannelli, Esq.

(b) if to Holdings or any Subsidiary (including the Company):

[New Holdco]
2016 Ayrsley Town Boulevard, Suite 200
Charlotte, NC 28273
Facsimile:
Attention: John Grosso

and:

[New Holdco]
c/o Capitala Group, LLC
4201 Congress Street - Suite 360
Charlotte, NC 28209
Facsimile: (704) 376-5877
Attention: Joseph B. Alala, III

(c) if to any other Holder:

to the address set forth on the Company's books and records for such Holder, with a copy to the Collateral Agent as set forth in Section 13.2(a).

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; if mailed, five (5) Business Days after being deposited in the mail, postage prepaid; or if telecopied, when receipt is acknowledged.

13.3 Successors and Assigns.

(a) This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws, the Purchasers and any subsequent Holder of any Notes may transfer any of its Notes in whole or in part and may assign its rights under the Note Documents to such transferee.

(b) The Company may not assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of the Required Holders, and any such purported assignment by the Company without the written consent of the Required Holders shall be void and of no effect. Except as provided in Article 12, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of any of the Note Documents.

13.4 Amendment and Waiver.

(a) No failure or delay on the part of any of the parties hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for in this Agreement are cumulative and are not exclusive of any remedies that may be available to the parties hereto at law, in equity or otherwise.

(b) Any amendment, waiver, supplement or modification of or to any provision of this Agreement, and any consent to any departure by any party from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by the Company and the Required Holders (unless such provision specifically states that such approval is only required by the Collateral Agent) and (ii) only in the specific instance and for the specific purpose for which made or given; provided, that, notwithstanding the foregoing, without the prior written consent of each Holder affected, an amendment, modification, termination or waiver of this Agreement, the Note Documents or any consent to departure from a term or provision hereof or thereof may not: (A) reduce the principal amount of the Notes whose holders must consent to any such amendment, modification, termination, waiver or consent; (B) reduce the principal amount of the Notes; (C) make a Note payable in money other than that stated in such Note; or (D) change any provision of this Section 13.4 or the definition of "Required Holders" or any other provision specifying the number or percentage of Holders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder.

(c) Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

13.5 Signatures; Counterparts. Facsimile transmissions of any executed original document and/or retransmission of any executed facsimile transmission shall be deemed to be the same as the delivery of an executed original. At the request of any party hereto, the other parties hereto shall confirm facsimile transmissions by executing duplicate original documents and delivering the same to the requesting party or parties. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

13.6 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

13.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH, AND ENFORCED UNDER, THE LAWS OF THE STATE OF NORTH CAROLINA, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

13.8 JURISDICTION, JURY TRIAL WAIVER, ETC.

(a) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AGREES THAT THE ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES, OR ANY AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NORTH CAROLINA OR OF THE UNITED STATES OF AMERICA FOR THE WESTERN DISTRICT OF NORTH CAROLINA AND HEREBY EXPRESSLY SUBMITS TO THE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS FOR THE PURPOSES THEREOF AND EXPRESSLY WAIVES

ANY CLAIM OF IMPROPER VENUE AND ANY CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS ADDRESS SET FORTH IN SECTION 13.2, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING.

(b) EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES, OR ANY OF THE OTHER TRANSACTION DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EACH OF LOAN PARTIES AND THEIR SUBSIDIARIES (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE PURCHASERS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE PURCHASERS WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (ii) ACKNOWLEDGES THAT THE PURCHASERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, AND THE OTHER TRANSACTION DOCUMENTS TO WHICH THEY ARE PARTY BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

13.9 **Severability**. If any one or more of the provisions contained in this Agreement, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions of this Agreement. The parties hereto further agree to replace such invalid, illegal or unenforceable provision of this Agreement with a valid, legal and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid, illegal or unenforceable provision.

13.10 **Rules of Construction**. Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Agreement.

13.11 **Entire Agreement**. This Agreement, together with the exhibits and schedules hereto and the other Note Documents, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement, together with the exhibits and schedules hereto, and the other Note Documents supersede all prior agreements and understandings between the parties with respect to such subject matter.

13.12 **Certain Expenses**. The Company will pay all reasonable expenses of the Holders (including, without limitation, reasonable fees, charges and disbursements of one law firm as counsel to the Holders) in connection with (a) any enforcement, amendment, supplement, modification or waiver of or to any provision of this Agreement or any of the other Note Documents or any documents relating thereto (including, without limitation, a response to a request by the Company for the consent of the Required Holders to any action otherwise prohibited hereunder or thereunder), (b) consent to any departure from, the terms of any provision of this Agreement or such other documents, (c) any Change of Control and (d) any redemption of the Notes.

13.13 **Publicity**. Except as may be required by Requirements of Law (including filings by any Holder with the United States Securities Exchange Commission as required under the Securities Act or

other applicable law), none of the parties hereto shall issue a publicity release or announcement or otherwise make any public disclosure concerning this Agreement or the transactions contemplated hereby, without prior approval by the other party hereto. If any announcement is required by law to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other parties and shall give the other parties an opportunity to comment thereon. Notwithstanding anything herein to the contrary, any party to this Agreement and the other Transaction Documents (and any employee, representative, or other agent of any such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, notwithstanding the above, any such information and materials shall be kept confidential to the extent necessary to comply with applicable securities laws.

13.14 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement, including without limitation, any post-closing assignment(s) by any Holder of a portion of the Securities to a Person not currently a party hereto, subject to the limitations set forth herein.

13.15 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Note Documents. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any Note Document, this Agreement or such other Note Document shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any other Note Document. No knowledge of, or investigation, including without limitation, due diligence investigation, conducted by, or on behalf of, the Purchasers or any other Holder shall limit, modify or affect the representations set forth in Article 6 of this Agreement or the right of any Holder to rely thereon.

13.16 Non-Reliance on Other Holders. Each Holder acknowledges that it has, independently and without reliance upon the Collateral Agent or any other Holder or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement and the other Note Documents. Each Holder also acknowledges that it will, independently and without reliance upon the Collateral Agent or any other Holder or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Note Document or any related agreement or any document furnished hereunder or thereunder.

[signature pages follow]

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

Company:

[REORGANIZED COMPANY]

By:_____
Name:
Title:

Holdings:

[NEW HOLDCO]

By:_____
Name:
Title:

[signature pages continue]

Purchasers and Collateral Agent:

CAPITALSOUTH PARTNERS SBIC FUND III, L.P., as a Purchaser and the Collateral Agent

By: **CAPITALSOUTH PARTNERS F-III, LLC**, its General Partner

By:_____
Name:
Title:

CAPITALSOUTH PARTNERS FUND II LIMITED PARTNERSHIP, as a Purchaser

By: **CAPITALSOUTH PARTNERS F-II, LLC**, its General Partner

By:_____
Name:
Title:

CAPITALSOUTH PARTNERS FLORIDA SIDECAR FUND II, L.P., as a Purchaser

By: **CAPITALSOUTH FLORIDA SIDECAR FUND II GP, LLC**, its General Partner

By:_____
Name:
Title:

Schedule 2.1
Commitments

Purchaser	**Revolving Notes Commitment**
CapitalSouth II	$ ~~300,000~~420,000
CapitalSouth III	$~~2,700,000~~3,780,000
Sidecar	$~~2,000,000~~2,800,000
Total	**$7,000,000**

Purchaser	**Term Notes**
CapitalSouth II	$ 720,000
CapitalSouth III	$ 6,480,000
Sidecar	$ 4,800,000
Total	**$12,000,000**

Summary report: **Litéra® Change-Pro TDC 7.5.0.195 Document comparison done on 12/5/2017 3:12:51 PM**	
Style name: KL Standard	
Intelligent Table Comparison: Active	
Original DMS: iw://usedms.imanage.kldomain.com/USE_Active01/301250123/5	
Modified DMS: iw://usedms.imanage.kldomain.com/USE_Active01/301250123/6	
Changes:	
Add	23
~~Delete~~	15
~~Move From~~	3
Move To	3
Table Insert	2
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	46