

(v) The Administrative Agent shall have received evidence that the insurance required by Section 5.07 is in effect, together with endorsements naming the Administrative Agent, for the benefit of the Secured Parties, as additional insured and lender loss payee thereunder to the extent required under Section 5.07.

(e) Minimum opening Excess Availability as of the Closing Date, after the application of proceeds of the initial Loans and issuance of initial Letters of Credit, and after provision for payment of all fees and expenses of the Transactions, shall be not less than \$750,000,000. Administrative Agent shall have received a Borrowing Base Certificate dated as of, and through the period ended, May 3, 2014.

(f) Holdings shall have (i) a public corporate family rating from Moody's, (ii) a public corporate credit rating from S&P and (iii) a public credit rating for the credit facility under this Agreement from each of Moody's and S&P.

(g) No Defaults or Events of Default shall exist or have occurred and be continuing. All costs, fees and expenses contemplated hereby due and payable on the Closing Date to Agent, Co-

Collateral Agents, Lead Arrangers and Lenders shall have been paid to the extent invoiced to Parent Borrower within 5 days prior to the Closing Date.

(h) There shall not exist any action, suit, investigation, litigation or proceeding pending in any court or before any arbitrator or governmental authority that challenges the legality of, or otherwise seeks to enjoin, the credit facility under this Agreement or the other Transactions.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing (other than a Protective Advance), and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct (or, in the case of any representation or warranty not qualified as to materiality, true and correct in all material respects) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except to the extent that such representations and warranties relate to an earlier date, in which case they shall have been true and correct (or, in the case of any representation or warranty not qualified as to materiality, true and correct in all material respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) At the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the total Revolving Credit Exposures shall not exceed the Revolving Credit Line Cap.

(d) At the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the total Revolving Credit Exposures, together with the principal amount of the Term Loans, will not exceed the amount of \$2,350,000,000 (subject to the amount of any increase in the Revolving Commitments or additional Term Loans in accordance with Section 2.22, so long as any such Loans or Letters of Credit are not prohibited under the Existing Term Loan Agreement or any other agreement governing any Indebtedness of the Loan Parties and would not give rise to the obligation to grant a Lien on any assets of the Loan Parties).

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by Holdings and the relevant Borrower or the relevant Account Party, as applicable, on the date thereof as to the matters specified in clauses (a), (b), (c) and (d) of this Section.

SECTION 4.03. Borrowing Subsidiaries. The obligation of each Lender to make a Loan on the occasion of the first Borrowing by a Borrowing Subsidiary is subject to receipt by the Administrative Agent of a Subsidiary Borrower Election with respect to such Borrowing Subsidiary in accordance with Section 2.20 and to the satisfaction of the following further conditions:

(a) If requested by the Administrative Agent or the Required Lenders, the Administrative Agent shall have received one or more favorable written opinions of counsel for such Borrowing Subsidiary reasonably acceptable to the Administrative Agent, with respect to (i) the organization and existence of such Borrowing Subsidiary, (ii) the due authorization, execution and delivery of the Subsidiary Borrower Election, (iii) the legality, validity and binding effect on such Borrowing Subsidiary

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of the Subsidiary Borrower Election and this Agreement as modified thereby and (iv) such other matters relating to such Borrowing Subsidiary as the Administrative Agent shall reasonably request.

(b) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of such Borrowing Subsidiary and its authorization to be a Borrower, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(c) The Lenders shall have received all documentation and other information required by regulatory authorities under applicable “know your customer” and anti- money laundering rules and regulations, including the Patriot Act, with respect to such Borrowing Subsidiary.

The Administrative Agent shall promptly provide to each Lender any documentation with respect to any Borrowing Subsidiary that was delivered to the Administrative Agent pursuant to this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each of Holdings, the Parent Borrower and Purchasing covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Borrowing Base, Ratings Change and Other Information. The Parent Borrower will furnish to the Administrative Agent and Term Agent for distribution to each Lender:

(a) as soon as available and, in any event, within 90 days after the end of each fiscal year of Holdings, its audited consolidated balance sheets and related statements of operations, stockholders’ equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(b) as soon as available and, in any event, within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings, its consolidated balance sheets and related statements of operations,

stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of Holdings or the Parent Borrower (i) certifying as to whether a Default has occurred and is continuing on the date thereof and, if a Default has occurred and is continuing on such

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date, specifying the details thereof and any action taken or proposed to be taken with respect thereto, and (ii) stating whether any change in GAAP or in the application thereof has occurred since the date of the most recent audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iii) in the case of financial statements under clause (a), the calculation of the Senior Secured Leverage Ratio for the applicable fiscal year;

(d) within 90 days after the end of each fiscal year, an annual financial forecast (in a form consistent with forecasts previously provided, including a quarterly presentation and a liquidity forecast) for Holdings and its Subsidiaries for the subsequent fiscal year (including a consolidated balance sheet of Holdings and its Subsidiaries as of the end of the prior fiscal year and consolidated statements of income and cash flows of Holdings and its Subsidiaries for such fiscal year);

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by Holdings to its shareholders generally, as the case may be;

(f) promptly after any Loan Party obtains knowledge that (i) Moody's or S&P shall have announced a change in the Credit Rating established or deemed to have been established by such rating agency, written notice of such Credit Rating change and (ii) Moody's or S&P shall have announced a change in the credit rating established by such rating agent with respect to this facility, written notice of such rating change;

(g) (i) within 15 Business Days after the last day of each fiscal month, a Borrowing Base Certificate calculating, certifying and setting forth the Borrowing Base and Availability and supporting information in connection therewith as of the last day of such fiscal month, and including a certification of the Designated Secured Other Obligations at the time of such delivery, together with such additional reports with respect to the Borrowing Base as the Administrative Agent may reasonably request, (ii) within five Business Days of the end of each week at any time a Specified Event of Default has occurred and is continuing or during any period after Excess Availability is less than the greater of (A) 15.0% of the Revolving Credit Line Cap and (B) \$225,000,000 for any 2 consecutive Business Days, a Borrowing Base Certificate calculating, certifying and setting forth the Borrowing Base and Availability and supporting information in connection therewith, in each case as of the last day of such week, together with any additional reports with respect to the Borrowing Base as the Administrative Agent may reasonably request; provided that such period shall be discontinued if no Specified Event of Default is continuing and Excess Availability ceases to be less than such level on a daily basis for four consecutive weeks; provided further that, notwithstanding the foregoing, any information that the Parent Borrower is required to deliver on a weekly basis shall be limited to (x) weekly updates of the gross amounts of Accounts, Eligible Credit Card Receivables, Eligible In-Transit Inventory and Eligible Inventory in detail reasonably acceptable to the Administrative Agent and the Parent Borrower and (y) such other information as reasonably agreed between the Administrative Agent and the Parent Borrower, and (iii) promptly as reasonably practicable after the request therefor, such additional information concerning the Accounts or Inventory of the Loan Parties or adjustments thereto as may be reasonably requested by the Administrative Agent from time to time;

(h) concurrently with the delivery of each Borrowing Base Certificate, a certificate of a Financial Officer certifying the scheduled payment date and principal amount of each scheduled payment of principal required to be

made in respect of any Indebtedness due within 120 days after the date of such Borrowing Base Certificate that would require an Amortization Reserve if due within 90 days thereafter;

(i) promptly upon obtaining knowledge of any such event, circumstance or change, a written notice of any event, circumstance or change that has occurred since the delivery of the most recent Borrowing Base Certificate that would (i) reduce the aggregate amount of any of the Eligible Accounts, Eligible Credit Card Receivables or Eligible Inventory or (ii) result in an aggregate amount of any of the Eligible Accounts, Eligible Credit Card Receivables or Eligible Inventory ceasing to be, as applicable, Eligible Accounts, Eligible Credit Card Receivables or Eligible Inventory, in each case by more than (A) \$50,000,000, at any time that the Revolving Credit Exposure (not including any LC Exposure) shall not exceed \$50,000,000 and the LC Exposure shall not exceed \$300,000,000, and (B) \$30,000,000, at any other time; and

(j) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Holdings or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request (other than information which is subject to attorney-client privilege or which would result in a breach of a confidentiality obligation of Holdings or any Subsidiary to any other Person).

Documents required to be delivered pursuant to Section 5.01(a), (b) or (e) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest of the date (i) on which Holdings posts such documents, or provides a link thereto on Holdings' website on the Internet at the website address; (ii) on which such documents are posted to the Securities and Exchange Commission's (or any Governmental Authority succeeding to any or all of the functions of said Commission's) website (including as part of any 10-K or 10-Q filing) or (iii) on which such documents are posted on Holdings' behalf on IntraLinks/IntraAgency or any other Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that (A) Holdings shall have notified the Administrative Agent of the posting of such documents and (B) in the case of documents required to be delivered pursuant to Section 5.01(a) or (b), Holdings shall deliver electronic copies of such documents to the Administrative Agent if any Lender requests that Holdings deliver such copies until a request to cease delivering copies is given by the Administrative Agent at the request of such Lender. The Administrative Agent shall have no obligation to request the delivery of or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Holdings with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

SECTION 5.02. Notices of Material Events. The Parent Borrower will furnish to the Administrative Agent and Term Agent for distribution to each Lender prompt written notice after any Financial Officer or other executive officer obtains knowledge of any of the following:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Holdings, the Parent Borrower or any Subsidiary thereof that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect (other than any Disclosed Matters);
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would result in liability of Holdings and its Subsidiaries in an aggregate amount exceeding \$100,000,000;
- (d) any Lien (other than Liens permitted under Section 6.02(a), (b) or (m)) or claim made or asserted against any of the Collateral in an amount or securing an amount in excess of \$30,000,000;

(e) any loss, damage, or destruction to, or any condemnation or other taking by a Governmental Authority of, all or any portion of the Collateral, whether or not covered by insurance, having an aggregate fair market value in excess of \$30,000,000;

(f) any default notice received under or with respect to any leased location or public warehouse where Collateral with a fair market value in excess of \$50,000,000 is located and that is material to the conduct of the business of Holdings and its Subsidiaries taken as a whole (which shall be delivered within 5 Business Days after receipt thereof); and

(g) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Parent Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral.

(a) The Parent Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in the legal name of any Loan Party, (ii) in the identity or type of organization or corporate structure of any Loan Party, (iii) in the Federal Taxpayer Identification Number or other identification number of any Loan Party, (iv) in the jurisdiction of organization of any Loan Party or (v) in the address set forth in the Uniform Commercial Code financing statement filed with respect to any Loan Party (including the establishment of any such new chief executive office in respect of any Grantor that is not a registered organization) or any office or facility at which Collateral owned by it having an aggregate fair market value of more than \$30,000,000 is located. Holdings and the Parent Borrower agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

(b) At the time of each delivery of annual financial statements with respect to the preceding fiscal year pursuant to clause (a) of Section 5.01, the Parent Borrower shall deliver to the Administrative Agent and Term Agent a certificate of a Financial Officer of the Parent Borrower setting forth the information required pursuant to Sections 1 (other than clause (d) thereof), 2, 7 and 8 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section.

SECTION 5.04. Existence; Conduct of Business. Each of Holdings and the Parent Borrower will, and will cause each of its Material Subsidiaries to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and (b) except as would not reasonably be expected to have a Material Adverse Effect, take all reasonable action to preserve, renew and keep in full force and effect its rights, licenses, permits, privileges and franchises; provided that the foregoing shall not prohibit any merger, consolidation, liquidation, transfer of assets or dissolution permitted under Section 6.03 and, in the case of an asset transfer, Section 6.05.

SECTION 5.05. Payment of Obligations. Each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, would result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate

proceedings, (b) Holdings, the Parent Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest would not result in a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, keep and maintain all property material to the conduct of the business of Holdings and its Subsidiaries (taken as a whole) in good working order and condition, ordinary wear and tear, condemnation and casualty loss excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit the disposition of any property otherwise permitted by this Agreement; provided, further, that nothing in this Section shall prevent Holdings or any Subsidiary from discontinuing the operations or maintenance of any of its properties no longer deemed by Holdings or such Subsidiary, as applicable, to be useful in the conduct of its business.

SECTION 5.07. Insurance. Each of Holdings and the Parent Borrower will, and will cause each of its Material Subsidiaries to, maintain, (1) with financially sound and reputable insurance companies or (2) (other than with respect to Inventory) with association or captive insurance companies or pursuant to self-insurance, (a) insurance in such amounts (with no greater risk retention) and against such risks (including physical loss or damage to the Collateral (including all Inventory constituting Collateral)) as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) without duplication, all insurance required to be maintained pursuant to the Collateral Agreement. Policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include a lenders' loss payable clause in favor of the Administrative Agent and providing for losses thereunder to be payable to the Administrative Agent or its designee, provided that, unless an Event of Default or a Cash Dominion Period shall have occurred and be continuing, (A) the Administrative Agent shall turn over to the Parent Borrower any amounts received by it as loss payee under any such policies and (B) Holdings, Parent Borrower and/or the applicable Material Subsidiary shall have the sole right to make, settle and adjust claims in respect of such insurance. Each such policy referred to in this paragraph also shall provide that it shall not be canceled, modified or not renewed (A) by reason of nonpayment of premium except upon not less than 10 days' prior written notice thereof by the insurer to the Administrative Agent (giving the Administrative Agent the right to cure defaults in the payment of premiums) or (B) for any other reason except upon not less than 30 days' prior written notice thereof by the insurer to the Administrative Agent. Each Loan Party shall deliver to the Administrative Agent a copy of a certificate of insurance evidencing the required coverage on or prior to the Closing Date and promptly following each renewal or replacement of such policies thereafter. The Parent Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.08. Books and Records; Inspection Rights. Each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in accordance with GAAP. Each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice and without disruption of the normal and ordinary conduct of the business of Holdings, the Parent Borrower or any such Subsidiary, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and, if an executive officer or a Financial Officer of the Parent Borrower has been afforded an opportunity to be present, independent accountants (subject to such accountants' customary policies and procedures), all at such reasonable times during normal business hours and as often as reasonably requested. Notwithstanding anything to the contrary in this Section 5.08, none of Holdings, the Parent Borrower or any Subsidiary will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) in respect of

which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any bona fide arm's length third party contract or (b) is subject to attorney-client or similar privilege or constitutes attorney work product; provided that each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, make available redacted versions of requested documents or, if unable to do so consistent with the preservation of such privilege, shall endeavor in good faith otherwise to disclose information responsive to the requests of the Administrative Agent, any Lender or any of their respective Related Parties, in a manner that will protect such privilege.

SECTION 5.09. Compliance with Laws. Each of Holdings and the Parent Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not result in a Material Adverse Effect.

SECTION 5.10. Use of Proceeds and Letters of Credit. The proceeds of the Term Loans shall be used only to repay the Indebtedness and other obligations under the Existing ABL Credit Agreement, and to pay costs, expenses and fees in connection with the Transactions. The proceeds of the Revolving Loans may only be used (a) to repay the Indebtedness under the Existing ABL Credit Agreement to the extent that the proceeds of the Term Loans made on the Closing Date are not sufficient to fully repay such Indebtedness, (b) to pay costs, expenses and fees in connection with the Transactions and the credit facility under this Agreement, and (c) for working capital and general corporate purposes of Borrowers (including capital expenditures and permitted acquisitions). No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. Letters of Credit will be issued to support obligations of the Account Parties in respect of purchases of inventory in the ordinary course of business, as well as other obligations of Holdings and its Subsidiaries incurred without violation of this Agreement.

SECTION 5.11. Additional Guarantee Parties. If any Subsidiary (other than any Foreign Subsidiary or any Subsidiary, substantially all of the assets of which consist of Equity Interests in one or more Foreign Subsidiaries) becomes a Material Subsidiary or otherwise becomes a Guarantee Party after the Closing Date, Holdings and the Parent Borrower shall, within fifteen Business Days after such Subsidiary becomes a Material Subsidiary or a Guarantee Party (as applicable), notify the Administrative Agent and the Lenders thereof and cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary.

SECTION 5.12. Further Assurances. Each of Holdings and the Parent Borrower will, and will cause each Guarantee Party and each Additional Grantor to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions, which may be required under any applicable law, or which the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Guarantee Parties and the Additional Grantors. Holdings and the Parent Borrower also agree to provide to the Administrative Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

SECTION 5.13. Maintenance of Ratings. Holdings will use commercially reasonable efforts to maintain continuously in effect (i) a Credit Rating from each of Moody's and S&P in respect of Holdings and (ii) a credit rating of this facility from each of Moody's and S&P.

SECTION 5.14. Appraisals. Once in each twelve month period (unless the Parent Borrower otherwise requests that additional appraisals of Inventory be conducted in the relevant twelve month period, as provided below), so long as Adjusted Excess Availability is not less than 40% of the

Revolving Credit Line Cap, or no Specified Event of Default exists, at the request of the Administrative Agent or a Co-Collateral Agent, the Loan Parties will permit the Administrative Agent to conduct, and the Administrative Agent shall conduct, one appraisal or update thereof of their Inventory by an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent, such appraisal or update to include, without limitation, information required by applicable law and regulations; provided that (a) if a Specified Event of Default has occurred and is continuing, there shall be no limitation on the number of such appraisals that Administrative Agent may conduct at the expense of Borrowers, (b) if Adjusted Excess Availability is less than 40% of the Revolving Credit Line Cap during such twelve month period, upon the request of Administrative Agent or a Co-Collateral Agent, the Loan Parties will permit the Administrative Agent to conduct, and Administrative Agent may conduct, 2 appraisals by such appraiser during such twelve month period at the expense of Borrowers, and (c) the Loan Parties will permit such other appraisals as Administrative Agent or Co-Collateral Agents may request at any time at their own expense. In addition to the foregoing, the Parent Borrower may request in writing that the Administrative Agent conduct additional appraisals of Inventory from time to time in order to effect a change in the Net Recovery Percentage of any of the Eligible Inventory or to evaluate and appraise any Additional Inventory (and such appraisals shall not be considered for purposes of any limitation on appraisals provided for herein). For purposes of this Section 5.14, it is understood and agreed that a single appraisal may consist of examinations conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such appraisals shall be commenced upon reasonable notice to the Parent Borrower and performed during normal business hours of the Parent Borrower, and all reasonable out-of-pocket costs of such appraisals shall be at the sole expense of the Parent Borrower, except for appraisals conducted pursuant to clause (c) above.

SECTION 5.15. Field Examinations. Once in each twelve month period, so long as Adjusted Excess Availability is not less than 40% of the Revolving Credit Line Cap, or no Specified Event of Default exists, at the request of the Administrative Agent or a Co-Collateral Agent, the Loan Parties will permit the Administrative Agent, the Co-Collateral Agents or professionals engaged by Administrative Agent or the Co-Collateral Agents to conduct, and the Administrative Agent, Co-Collateral Agents or such professionals shall conduct, one field examination of (a) the books and records relating to the accounts of the Loan Parties and (b) the inventory of the Loan Parties, in each case to ensure the adequacy of the Collateral included in the Borrowing Base and related reporting and control systems; provided that (i) if a Specified Event of Default has occurred and is continuing, there shall be no limitation on the number or frequency of field examinations that the Administrative Agent, Co-Collateral Agents or such professionals may conduct at the expense of Borrowers, (ii) if Adjusted Excess Availability is less than 40% of the Revolving Credit Line Cap during such twelve month period, Administrative Agent, the Co-Collateral Agents or professionals engaged by them may conduct 2 field examinations during such twelve month period at the expense of Borrowers, and (iii) Administrative Agent, the Co-Collateral Agents or professionals engaged by them may conduct such other field examinations any time at their own expense. For purposes of this Section 5.15, it is understood and agreed that a single field examination may be conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such field examinations shall be commenced upon reasonable advance notice to the Parent Borrower and performed during normal business hours of the Parent Borrower, and all reasonable out-of-pocket costs of such field examinations shall be at the sole expense of the Parent Borrower except for field examinations conducted pursuant to clause (iii) of this Section 5.15.

SECTION 5.16. Cash Management; Control Agreements.

(a) After the Closing Date, the Loan Parties, promptly upon the request of the Administrative Agent, shall deliver to the Administrative Agent a schedule of all Deposit Accounts and Securities Accounts that are maintained by the Loan Parties, which Schedule shall include, with respect to

each depository, (i) the name and address of such depository, (ii) the account number(s) maintained with such depository, and (iii) a contact person at such depository.

(b) Within 120 days after the Closing Date (or such later date as the Administrative Agent may reasonably agree in its sole discretion), each Loan Party shall have entered into a Control Agreement, in form and substance reasonably satisfactory to the Administrative Agent, with (i) the bank which maintains Parent Borrower's main concentration account (the "Concentration Account"), (ii) the bank which maintains each Specified Demand Account, and (iii) each bank with which each Loan Party maintains each of the Deposit Accounts described on Schedule 5.16 (the Concentration Account and each other account at any time subject to a Control Agreement, a "Control Account") and shall at all times thereafter cause all such accounts to be maintained as Control Accounts, provided, that, Loan Parties shall not be required to enter into a Control Agreement with respect to (A) Deposit Accounts used exclusively in connection with any retail store or stores, (B) Excluded Accounts or (C) except as provided in clause (d) below, any Securities Account. Unless the Administrative Agent has given contrary instructions to the applicable bank or financial institution pursuant to the applicable Control Agreement, the Loan Parties shall cause all proceeds of Collateral received in Deposit Accounts used by its retail stores that are not Control Accounts, and all other amounts otherwise constituting or received in respect of proceeds of Collateral received in Control Accounts other than the Concentration Account, in each case to be transferred each Business Day (or with such other frequency as Administrative Agent may agree) to the Concentration Account; provided that this sentence shall not apply to any Excluded Accounts or Specified Demand Accounts. Each Loan Party shall direct all credit card issuers and processors that are obligated to make payments to such Loan Party, and those customers making payments on Accounts and other payments on Collateral to make daily transfers of the payments due from such issuer, processor or other Person to a Control Account.

(c) Subject to the time periods specified in Section 5.16(b), unless the Administrative Agent has given contrary instructions to the applicable bank or financial institution pursuant to the applicable Control Agreement, the Loan Parties shall cause the wire transfer on each Business Day (whether or not there are at the time outstanding Loans) of all available cash receipts to the Concentration Account, from:

- (i) the sale of Inventory;
- (ii) all proceeds of collections of Accounts (including in respect of credit card receivables, whether or not constituting Eligible Credit Card Receivables); and
- (iii) each Control Account (including all cash deposited therein), other than any Specified Demand Account.

(d) Loan Parties shall at all times, maintain not less than 40% of the aggregate amount of "cash short-term investments" (as such term is used in the balance sheet of Holdings and its consolidated Subsidiaries and consistent with the current practices of Holdings as of the date hereof) in the Specified Demand Accounts identified in writing to Administrative Agent, provided, that, such "cash short-term investments" may inadvertently be less than 40% of the aggregate amount thereof for up to 10 Business Days, but in no event for any reason for any period less than 20% of the aggregate amount thereof. The amounts of such "cash short-term investments" shall be reported to Administrative Agent with the delivery of each Borrowing Base Certificate and upon request of Administrative Agent.

(e) At any time that Excess Availability shall have been less than 40% of the Revolving Credit Line Cap for 2 consecutive Business Days, each Loan Party shall reasonably promptly transfer all funds in any Securities Accounts or Deposit Accounts that are not subject to a Control Agreement (other

than (i) Excluded Accounts, (ii) Deposit Accounts used exclusively in connection with any retail store or stores and (iii) Deposit Accounts or Securities Accounts containing solely the identifiable cash proceeds of property that was Term Loan Exclusive Collateral when such cash proceeds arose) to a Specified Demand Account, provided, that, at any time thereafter Loan Parties shall not be required to transfer such funds if Excess Availability shall have been equal to or greater than 40% of the Revolving Credit Line Cap for at least 30 consecutive calendar days (until such time as Excess Availability may again be less than such amount for 2 consecutive Business Days).

(f) If on any date (i) Excess Availability shall be less than 25% of the Revolving Credit Line Cap or (ii) the Revolving Credit Exposure (not including any LC Exposure) shall exceed 50% of the Revolving Credit Line Cap, then (A) each Loan Party shall promptly enter into an amendment to the Collateral Agreement satisfactory to the Administrative Agent pursuant to which such Loan Party shall, for the benefit of the Secured Parties grant a Lien on all its Securities Accounts which prior to such amendment shall have been excluded from the Lien of the Collateral Agreement (other than any Securities Account containing solely the identifiable cash proceeds of property that was Term Loan Exclusive Collateral when such cash proceeds arose) and (B) the Loan Parties shall within 30 days after such date (or such later date as the Administrative Agent may reasonably agree in its sole discretion) enter into Control Agreements, in form and substance reasonably satisfactory to the Administrative Agent, with the applicable securities intermediaries in respect of such Securities Accounts as shall be required so that after giving effect thereto all cash or cash equivalents owned by the Loan Parties (other than (i) amounts contained in Excluded Accounts, (ii) amounts in any Deposit Accounts used exclusively in connection with any retail store or stores and (iii) any Deposit Account or Securities Account containing solely the identifiable cash proceeds of property that was Term Loan Exclusive Collateral when such cash proceeds arose) shall be held in Control Accounts and shall at all times thereafter cause all such accounts to be maintained as Control Accounts.

(g) The Loan Parties may close Deposit Accounts, Securities Accounts or Control Accounts and/or open new Deposit Accounts, Securities Accounts or Control Accounts, subject to the execution and delivery to the Administrative Agent of appropriate Control Agreements to the extent required by the provisions of this Section 5.16 and any such required Control Agreements shall be reasonably satisfactory to the Administrative Agent. The Loan Parties shall furnish the Administrative Agent with prior written notice of their intention to open or close a Control Account.

(h) Each of Holdings and the Parent Borrower hereby acknowledges and agrees on behalf of itself and each other Loan Party that (i) the funds on deposit in the Concentration Account, all other Control Accounts and, subject to clause (f) above, all Securities Accounts shall at all times continue to be collateral security for all of the Obligations and (ii) during a Cash Dominion Period, such Loan Party shall have no right of withdrawal from the Concentration Account and the funds on deposit in the Concentration Account (and any other Control Account or Securities Account that are not being transferred to the Concentration Account) shall be transferred to the Revolving Agent Payment Account for application to the Obligations as provided in this Agreement and the Collateral Agreement (except for (i) amounts permitted to be held as Permitted Investments pursuant to Section 6.04(a), (ii) proceeds of assets, other than ABL Priority Collateral, subject to Liens permitted under Section 6.02, to the extent such proceeds are required to be applied to the payment of the applicable obligations secured thereby and (iii) amounts contained in Deposit Accounts or Securities Accounts containing solely the identifiable cash proceeds of property that was Term Loan Exclusive Collateral when such cash proceeds arose). In the event that any Loan Party receives or otherwise has dominion and control of any such proceeds or collections in contravention of the provisions of this Section 5.16, such proceeds and collections shall be held in trust by such Loan Party for the Administrative Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall promptly be deposited

into the Concentration Account or dealt with in such other fashion as such Loan Party may be instructed by the Administrative Agent.

(i) Any amounts received in the Concentration Account at any time when all of the Obligations then due have been and remain fully repaid (and all deposits required to be made pursuant to Section 2.09(g) or 2.17(h) shall have been made) shall, upon the request of Parent Borrower and subject to applicable law, be remitted to the operating account of the Parent Borrower maintained with the Administrative Agent.

(j) The Administrative Agent shall give any notice of exclusive control or similar notice for any Control Account at such time as a Cash Dominion Period has occurred and is continuing. The Administrative Agent shall not give any notice of exclusive control or similar notice for any Control Account unless a Cash Dominion Period has occurred and is continuing. Upon the written request of Parent Borrower, the Administrative Agent shall promptly (but in any event within five Business Days) furnish written notice to each Person with whom a Control Account is maintained of any termination of a Cash Dominion Period.