As filed with the Securities and Exchange Commission on September 9, 2020

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Academy Sports and Outdoors, Inc.
(Exact name of registrant as specified in its charter)

Delaware	5940	85-1800912
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1800 North Mason Road
Katy, Texas 77449
(281) 646-5200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Rene G. Casares, Esq.
Senior Vice President and General Counsel
1800 North Mason Road
Katy, Texas 77449
(281) 646-5200
(Name, address, including zip code, and telephone number, including area code, of registrant's agent for service)

With copies to:

Joseph H. Kaufman, Esq.
Sunny Cheong, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
(212) 455-2000

Marc D. Jaffe, Esq.
Ian D. Schuman, Esq.
Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
(212) 906-1200

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.01 par value per share	$100,000,000	$12,980

(1) Includes shares of common stock that the underwriters have the option to purchase. See "Underwriting (Conflicts of Interest)."
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement on Form S-1, or the Registration Statement, is being filed by Academy Sports and Outdoors, Inc., a newly formed Delaware corporation, or the Registrant, in connection with a proposed registered public offering of shares of its common stock. Prior to the consummation of this offering, we intend to undertake a series of reorganization transactions, which we refer to as the Reorganization Transactions, that will result in, among other things, New Academy Holding Company, LLC, the current holding company for the business described in this prospectus that is part of the Registration Statement, being contributed to the Registrant by its unitholders and becoming a wholly owned subsidiary of the Registrant. Following the Reorganization Transactions, the Registrant will be the holding company of the business described in this prospectus.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

Subject to completion, dated September 9, 2020

Preliminary Prospectus

Shares

Academy Sports and Outdoors, Inc.

Common Stock

This is the initial public offering of common stock of Academy Sports and Outdoors, Inc. We are offering shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We expect that the initial public offering price of our common stock will be between $ and $ per share. We intend to apply to list our common stock on Nasdaq Global Select Market, or Nasdaq, under the symbol "ASO."

After the completion of this offering, investment entities owned by investment funds and other entities affiliated with Kohlberg Kravis Roberts & Co. L.P. will beneficially own % of the voting power of our common stock. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of Nasdaq. See "Management—Controlled Company Exemption."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 22 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to us	$	$

(1) See "Underwriting (Conflicts of Interest)" for additional information regarding underwriting compensation.

We have granted the underwriters a 30-day option from the date of this prospectus to purchase up to additional shares of our common stock at the initial public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2020.

Joint Book-Running Managers

Credit Suisse **J.P. Morgan** **KKR** **BofA Securities**

Bookrunners

Evercore ISI **Guggenheim Securities** **UBS Investment Bank** **Wells Fargo Securities**

Co-Managers

Stephens Inc. **Capital One Securities** **Loop Capital Markets** **CastleOak Securities, L.P.**

Blaylock Van, LLC **Cabrera Capital Markets** **Ramirez & Co., Inc.** **R. Seelaus & Co., LLC**

Prospectus dated , 2020

Table of Contents

TABLE OF CONTENTS

Through and including the 25th day after the date of this prospectus, all dealers that effect transactions in these shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligations to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. Neither we nor the underwriters have authorized anyone to provide you with different information. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus, or any free writing prospectus, as the case may be, or any sale of shares of our common stock.

For investors outside the United States: we are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

INDUSTRY AND MARKET DATA

Within this prospectus, we reference information and statistics regarding the sporting goods and outdoor recreation retail industries. We have obtained this information and statistics from various independent third-party sources, including independent industry publications, reports by market research firms and other independent sources. Some data and other information contained in this prospectus are also based on management's estimates and calculations, which are derived from our review and interpretation of internal company research, surveys and independent sources. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe they generally indicate size, position and market share within these industries. While we believe such information is reliable, we have not independently verified any third-party information. While we believe our internal company research, surveys and estimates are reliable, such research, surveys and estimates have not been verified by any independent source. In addition, assumptions and estimates of our and our industries' future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Forward-Looking Statements." As a result, you should be aware that market, ranking, and other similar industry data included in this prospectus, and estimates and beliefs based on that data may not be reliable. Neither we nor the underwriters can guarantee the accuracy or completeness of any such information contained in this prospectus.

TRADEMARKS, TRADENAMES, SERVICE MARKS AND COPYRIGHTS

We own and license a number of registered and common law trademarks and pending applications for trademark registrations in the United States, primarily through our subsidiaries, including, for example: Academy Sports + Outdoors®, Magellan Outdoors®, BCG®, O'rageous® and Outdoor Gourmet®. Unless otherwise indicated, all trademarks appearing in this prospectus are proprietary to us, our affiliates and/or licensors. This prospectus also contains trademarks, tradenames, service marks and copyrights of other companies, which are the property of their respective owners. Solely for convenience, certain trademarks, tradenames, service marks and copyrights referred to in this prospectus may appear without the ©, ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, tradenames, service marks and copyrights. We do not intend our use or display of other parties' trademarks, tradenames, service marks or copyrights to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

BASIS OF PRESENTATION

Certain Definitions

The following terms are used in this prospectus unless otherwise noted or indicated by the context:

- "ABL Facility" means our senior secured asset-based revolving credit facility, as described under "Description of Certain Indebtedness;"
- "Academy," "Academy Sports + Outdoors," the "Company," "we," "us" and "our" refer to, (1) prior to the consummation of this offering, New Academy Holding Company, LLC, a Delaware limited liability company and the current holding company for our operations, and its consolidated subsidiaries; and (2) following the consummation of this offering, Academy Sports and Outdoors, Inc. and its consolidated subsidiaries;
- "Adviser" has the meaning set forth under "Certain Relationships and Related Party Transactions—Monitoring Agreement;"
- "Allstar Managers" means Allstar Managers, LLC, an entity owned by certain current and former executives and directors of the Company;
- "Average order value" means in-store and e-commerce merchandise sales divided by the number of sales transactions, which indicates the average amount of a sales receipt;
- "BOPIS" means our buy-online-pickup-in-store program;
- "Comparable sales" means the percentage of period-over-period net sales increase or decrease, in the aggregate, for stores open after thirteen full fiscal months as well as for all e-commerce sales. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—How We Assess the Performance of Our Business—Comparable Sales." There may be variations in the way in which some of our competitors and other retailers calculate comparable sales. As a result, data in this prospectus regarding our comparable sales may not be comparable to similar data made available by other retailers;
- "footprint" means, in the aggregate, the geographic locations where our stores are located. As of the date of this prospectus, our stores are located in the following states: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee and Texas;
- "full-line sporting goods and outdoor recreation retailers" means: retailers who offer all three of the following categories, across all price points and brands (i) sporting goods (e.g., team and individual sports, footwear/apparel, fitness), (ii) outdoor goods (e.g., hunting gear, fishing rods, outdoor cooking, camping), and (iii) recreation goods (e.g., pools, backyard living, bikes). Among the current full-line sporting goods and outdoor recreation retailers in the United States, management has determined that the Company is one of the leading full-line sporting goods and outdoor recreation retailers because its annual revenue in each of the years from 2014 to 2019 is the second highest;
- "Gochman Investors" means, collectively, certain investors who are family descendants of our founder, Max Gochman;
- "KKR" means, collectively, investment funds and other entities affiliated with Kohlberg Kravis Roberts & Co. L.P.;
- "KKR Stockholders" means, collectively, investment entities owned by KKR;
- "largest value-oriented sporting goods and outdoor recreation retailer in the country" refers to management's determination of the Company's comparative position based upon (i) the Company's competitive pricing index, which illustrates the Company's prices are lower on average compared to those full-line sporting goods and recreational retailers with higher annual revenue, and (ii) the Company's 2019 and 2020 customer surveys, which indicate that customers perceive the Company as being more value-oriented than all of the other full-line sporting goods and recreation retailers;

- "mature stores" means stores that have been in operation for longer than four years;
- "number of sales transactions" means total quantity of sales transactions generated, whether in-store or online;
- "owned brands" means our private label brands, which include both our own brands, as well as brands we license under exclusive license contracts;
- "Reorganization Transactions" means the series of reorganization transactions that will take place prior to the consummation of this offering and will result in, among other things, New Academy Holding Company, LLC, the current holding company for the business described in this prospectus, being contributed to Academy Sports and Outdoors, Inc. by its unitholders and becoming a wholly owned subsidiary of Academy Sports and Outdoors, Inc.; and
- "Term Loan Facility" means our senior secured term loan facility, as described under "Description of Certain Indebtedness."

Presentation of Financial Information

New Academy Holding Company, LLC conducts (and after the consummation of this offering, Academy Sports and Outdoors, Inc. will conduct) its operations through its subsidiaries, including its indirect subsidiary, Academy, Ltd., an operating company which is doing business as "Academy Sports + Outdoors."

We operate on a retail fiscal calendar pursuant to which our fiscal year consists of 52 or 53 weeks, ending on the Saturday closest to January 31 (which such Saturday may occur on a date following January 31) each year. References to any "year," "quarter," "half" or "month" mean "fiscal year," "fiscal quarter," "fiscal half year" and "fiscal month," respectively, unless the context requires otherwise. References to "2015," "2016," "2017," "2018" and "2019" relate to our fiscal years ended January 30, 2016, January 28, 2017, February 3, 2018, February 2, 2019 and February 1, 2020, respectively, unless the context requires otherwise. References to "2020" relate to our fiscal year ending January 30, 2021, unless the context requires otherwise.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

NON-GAAP FINANCIAL MEASURES

This prospectus contains "non-GAAP financial measures," which are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States, or GAAP. Specifically, we make use of the non-GAAP financial measures "Adjusted EBITDA," "Adjusted Net Income (Loss)," "Pro Forma Adjusted Net Income (Loss)" and "Adjusted Free Cash Flow."

Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow have been presented in this prospectus as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. Management believes Adjusted Free Cash Flow is a useful

measure of liquidity and an additional basis for assessing our ability to generate cash. Management uses Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish and award discretionary annual incentive compensation, to report our compliance with certain covenants in our debt agreements, and to compare our performance against that of other peer companies using similar measures.

Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or net cash provided by operating activities as a measure of liquidity, or any other performance measures derived in accordance with GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The presentations of these measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of, our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. For a discussion of the use of these measures and a reconciliation of the most directly comparable GAAP measures, see "Summary—Summary Historical Consolidated Financial and Other Data."

We also present adjusted comparable sales, which is a non-GAAP measure, in this prospectus. For a discussion of adjusted comparable sales and a reconciliation to comparable sales, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Measures—Adjusted comparable sales."

LETTER FROM OUR CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dear Stakeholders and Future Stakeholders:

I am proud to introduce those of you who are not very familiar with, and further inform those of you who know us, to Academy Sports + Outdoors. I am excited to be part of this company and share all the great things we are accomplishing. Academy began over 80 years ago in San Antonio, Texas focusing on its customers with a powerful assortment and great value. It has evolved into a truly remarkable Sports + Outdoors emporium with the same strong focus on customers, assortment, and value.

Having known Academy since I was growing up in Houston, I was excited to join its Board of Managers three years ago. During that time, I learned more about Academy's opportunities. When the opportunity to become CEO was presented two years ago, I enthusiastically took the position for three major reasons:

1) An unparalleled opportunity to grow its existing stores within its current footprint, new markets, and through omnichannel penetration;

2) A chance to improve its operational efficiencies and effectiveness across all elements of the company with an accomplished, experienced leadership team; and

3) The ability to lead a company that has tremendous brand position and customer loyalty with an emphasis on fun, family and community.

Leading Academy is a dream job that allows me to fill my passion for retail and connecting with customers. I have been fortunate to be part of bringing growth and improved performance to retailers in the role of President, CEO, Chairman, or Director. My current role with our strong leadership team creates a significant opportunity to enhance the culture, operations, and customer connections at Academy. We have a deep bench of excellent executives working with me, which has allowed us to achieve improving comparable sales, profitability and cash flow, thus helping to drive significant long-term shareholder value.

Since I began leading Academy, we have been working on several key initiatives including:

1) People

We have developed a focused strategy with a clear vision to be the best with a strong positive culture. We have a dedicated staff of over 20,000 team members that are focused on serving our customers and building our company. We have put together an outstanding leadership team from within and outside the company that has transformed the company over the past two years.

2) Merchandising

We have taken significant actions to improve our merchandise offering, beginning with strengthening our sports and outdoors assortment quality and selection and exiting or reducing categories that were low profit or did not fit, such as toys, electronics and luggage. We developed and improved our pricing and clearance programs to ensure our value and keep our inventory fresh. In stores, we enhanced our merchandise presentation and signage to make the shopping experience more exciting. We also upgraded our planning and allocation systems to improve our in-stocks and inventory turns and allow us to target markets and stores with the right merchandise.

3) Omnichannel

Academy had been underdeveloped in omnichannel capabilities, but we have been making major improvements to our capabilities that have shown substantial progress and effects over the past year. We have made numerous website improvements, including increased speed, simplified checkout, expanded payment options, content and product information, and search capabilities. We have increased the connection between our website and our stores through our marketing, inventory, and BOPIS.

4) Operations

We have made substantial enhancements in our stores, including upgrading our service levels by using new technology to hire better team members, scheduling team members to maximize their service level effectiveness, and training team members to improve selling skills and product knowledge. We have improved our supply chain operations by using a new freight system and improved freight handling processes. We have also developed and implemented a work productivity pay program that allows our distribution team members to earn more as they increase their productivity.

As you can see, we have been busy working on these and other high-value programs to improve our long-term performance. Beginning last year, we started to see improvements resulting from these initiatives. In addition, the improvements to our omnichannel capabilities have positioned us well to benefit from changing consumer preferences in response to the COVID-19 pandemic and resulted in substantial increases of our e-commerce sales and, in turn, our comparable sales. We have achieved four consecutive quarters with positive comparable sales, which is an improvement over our negative comparable sales for the past three fiscal years. In addition, second quarter of 2020 was our fourth consecutive quarter of profitability growth and our fifth consecutive quarter of cash flow growth. These results have allowed us to make significant progress on our long-term goals. While we still have a great deal of work and opportunity ahead of us, we are committed to work and focus on achieving our long-range vision and objectives.

Through the years, we have concentrated on serving our customers and communities, in both good and bad times. I am proud of how our company has continued this commitment during the COVID-19 crisis, through our stores that remained open after being designated as an essential retailer and through our website and omnichannel capabilities, all proving valuable to our customers. Our 20,000+ team members have been nothing short of inspiring during this challenging time, which shows not only their dedication, but their ability to adapt and succeed in any environment, be it a hurricane, recession, or pandemic. We will continue to serve our customers by offering a broad, differentiated, value assortment with the service they expect from Academy that satisfies them, regardless of the situation.

Today and going forward, we will maintain focus on our priorities and the execution necessary to achieve excellence. We believe that we have a best-in-class value offering with localized merchandising and marketing, and a new store opening and growth strategy that sets us apart from our competitors. We have proven that we are much more than a sporting goods store, as we are sought out for our extensive assortment and value by our customers, in all seasons and situations. Our customers return to our stores knowing they can count on us, time after time.

We are at the beginning of an incredible journey and still have much to accomplish. I know that we can and will be the best. I look forward to connecting with you and hope that you will join us as a public stakeholder in our mission.

Ken C. Hicks

Chairman, President and
Chief Executive Officer

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our common stock. You should read the entire prospectus carefully, including "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties.

Who We Are

Academy Sports + Outdoors is one of the leading full-line sporting goods and outdoor recreation retailers in the United States. We estimate that we served 30 million unique customers and completed approximately 80 million transactions in 2019 across our seamless omnichannel platform and highly productive stores, resulting in net sales of $4.8 billion and making us the largest value-oriented sporting goods and outdoor recreation retailer in the country. We have continually increased our market share by expanding our leadership in fast-growing merchandise categories and offering a broad, value-oriented assortment with deep and localized customer connections.

We believe the following key attributes differentiate us from our competitors:

- Value-based assortment that enables our customers to participate and have fun, no matter their budget.
- Broad assortment that extends beyond sporting goods and apparel to outdoor recreation.
- Emerging, rapidly growing and profitable omnichannel strategy that leverages our strong BOPIS and shipping fulfillment capabilities.
- Strong customer loyalty, with opportunities to increase penetration in existing markets.
- Regional focus in the southern United States with a strong and growing presence in six of the top 10 fastest-growing metropolitan statistical areas, or MSAs.
- Core customers comprising active families that we support with one-stop shop convenience.
- Significant whitespace opportunity for both in-fill and adjacent geographies and new markets.
- Strong financial profile with accelerating performance and attractive cash flow generation.

Originally founded in 1938 as a family business in Texas, we have grown to 259 stores across 16 contiguous states, primarily in the southern United States. Our mission is to provide "Fun for All" and fulfill this mission with a localized merchandising strategy and value proposition that deeply connect with a broad range of consumers. Our product assortment focuses on key categories of outdoor, apparel, footwear and sports & recreation (representing 32%, 29%, 21% and 18% of our 2019 net sales, respectively) through both leading national brands and a portfolio of 17 owned brands, which go well beyond traditional sporting goods and apparel offerings.

Our retail locations range in size from approximately 40,000 to 130,000 gross square feet, with an average size of approximately 70,000 gross square feet, and have no mall exposure. Our box size and layout create a spacious in-store experience for the current shopping environment and easily accessible front of store checkout that drives efficiency for our BOPIS and curbside pickup customers. Our stores are supported by over 20,000 knowledgeable team members offering a high-touch service element. Our stores have remained open during the COVID-19 pandemic as a result of our essential product offering and enhanced safety measures, resulting in continued market share gains and greater visibility in newer markets to the Academy brand and increased

community connections. We operate three distribution centers that service our stores and our growing e-commerce platform, which reaches 47 states today. We have significant new store whitespace and our disciplined approach to store openings has allowed most stores to achieve profitability within the first twelve months of opening a store.

We are active members of the communities in which we operate. Our long-time customers have grown up with the Academy brand over time and pass their passion for us on to the next generation, enabling us to benefit from strong customer loyalty and shopping frequency in our embedded regional markets.

Our broad assortment appeals to all ages, incomes and aspirations, including beginning and advanced athletes, families enjoying outdoor recreation and enthusiasts pursuing their passion for sports and the outdoors. We enable our customers to enjoy a variety of sports and outdoors activities, whether they are trying out a new sport, tailgating for a sporting event or hosting a family barbecue. We enhance our customers' shopping experience through our knowledgeable and passionate team members and value-added store services, making us a preferred, one-stop shopping destination. We carefully tailor our products and services to meet local needs and offer our customers memorable experiences that help us maintain lasting emotional connections with our loyal customer base and the communities we serve.

*Owned brands represent ~20% of 2019 net sales

We sell a range of sporting and outdoor recreation products. Our strong merchandise assortment is anchored by our broad offering of year-round items, such as fitness equipment and apparel, work and casual wear, folding chairs, wagons and tents, training and running shoes and coolers. We also carry a deep selection of seasonal items, such as sports equipment and apparel, seasonal wear and accessories, hunting and fishing equipment and apparel, patio furniture, trampolines, play sets, bicycles and severe weather supplies. We provide locally relevant offerings, such as crawfish boilers in Louisiana, licensed apparel for area sports fans, baits and lures for area fishing spots and beach towels in coastal markets. Our value-based assortment also includes exclusive products from our portfolio of 17 owned brands. Nearly 20% of our 2019 sales were from our owned brands, such as Magellan Outdoors and BCG, which offer a distinct offering to our customers and approximately 60% of our customers purchased an owned brand item from us in 2019. Our merchandising creates a balanced sales mix throughout the year with no single season accounting for more than 28% of our annual sales.

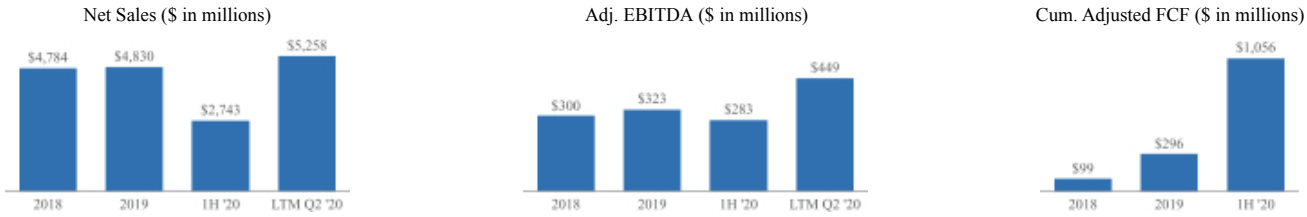
Our stores deliver industry-leading unit sales and profitability, including 2019 net sales per store of $18.7 million, average sales per square foot of $264, and average EBITDA per store of $1.3 million. Our customers love the Academy store shopping experience because they are able to easily find, learn about, feel, try on and walk out with their favorite items. Our one-stop, convenient store layout, together with our highly trained team members offering value-added customer services, drive strong and consistent store foot traffic and transaction volume, with our average customers visiting our stores two to four times per year and our best customers visiting our stores nine times per year. The majority of our stores are located in high-traffic shopping centers, while none of the stores are located in, or anchored to, malls.

Our emerging, profitable e-commerce platform that leverages our strong BOPIS and shipping fulfillment capabilities has achieved year-over-year sales growth of 8% and 284% during 2019 and the first half 2020,

respectively. Our e-commerce sales represented 5% and 11% of our merchandise sales in 2019 and the first half 2020, respectively. We are deepening our customer relationships, further integrating our e-commerce platform with our stores and driving operating efficiencies by developing our omnichannel capabilities. Our BOPIS program, launched in 2019, accounted for approximately 24% and 50% of our e-commerce sales during 2019 and the first half 2020, respectively, and allows customers to place an order on our website and pick up their product at a desired location, either in-store or curbside. Our website also serves as a platform for marketing and product education, enhancing our customer experience and driving traffic to our stores. Our website is introducing new customers to the Academy brand, with approximately 25% of our e-commerce sales during first half 2020 coming from new households.

We serve our communities by supporting events, programs and organizations that help make a positive impact, including the sponsorship of over 1,500 local sports teams. We promote and encourage safety and responsibility, so that everyone can feel confident and comfortable doing what they love, by offering products and information that enable our customers to be smart, responsible and safe. We have a long history of providing essential products for crisis preparedness and have helped our communities, customers and team members through various natural disasters and crises.

We finished the twelve months ended August 1, 2020 with approximately $5.3 billion in sales, $204 million of net income and $449 million in Adjusted EBITDA. Although comparable sales have been negative for the past three fiscal years, we have seen four consecutive quarters of positive comparable sales as of second quarter 2020. In addition, second quarter 2020 reflected our fourth consecutive quarter of Adjusted EBITDA growth and our fifth consecutive quarter of Adjusted Free Cash Flow growth. We earned net income of $21 million, $120 million and $204 million and Pro Forma Adjusted Net Income of $41 million, $76 million and $178 million in 2018, 2019 and the twelve months ended August 1, 2020, respectively, which included $158 million of net income and $135 million of Pro Forma Adjusted Net Income for first half 2020. See "—Summary Historical Consolidated Financial and Other Data" for definitions of Adjusted EBITDA, Pro Forma Adjusted Net Income and Adjusted Free Cash Flow and reconciliations of Adjusted EBITDA and Pro Forma Adjusted Net Income to net income and Adjusted Free Cash Flow to net cash provided by operating activities.



Our Performance Improvement Initiatives

We have made significant progress on several key performance improvement initiatives that drove positive comparable sales and Adjusted EBITDA growth in the last four consecutive quarters ended August 1, 2020, and created a foundation for our future growth. These key initiatives include:

- *Strengthened leadership team – Our leadership team comprises nine highly experienced and proven individuals, six of whom joined Academy from 2017 to 2018, led by our Chief Executive Officer and including our Chief Financial Officer, Chief Merchandising Officer, EVP of Retail Operations, SVP of Omnichannel, and Chief Information Officer. Our leadership team also recently demonstrated its ability to adapt, operate and gain market share and new customers during the most challenging of retail environments, including its ability to safely operate our stores and distribution centers, source and deliver our merchandise, and manage our liquidity and expenses in all elements of our business during the COVID-19 pandemic.*

- *Build omnichannel* – After investing approximately $50 million over the last three years in our omnichannel capabilities, we launched several new omnichannel initiatives in 2019, including our BOPIS program and new website design, content and functionality. While still early in our omnichannel strategy, we have built a profitable omnichannel business that is poised for continued growth and improvement of capabilities.
- *Localized merchandising* – Since 2018, we improved the localization of our assortment across selected inventory offerings. This initiative resulted in an improved customer shopping experience and increased sales.
- *Category focus* – In 2019, we improved and focused our assortments in priority product categories, such as team sports, fishing and outdoors, while exiting certain other product categories, such as luggage, electronics and toys, that were less profitable or unprofitable, slower moving, and not core to our sporting goods and outdoor offering.
- *Enhance store optimization* – We leverage technology to enable our store team members to better manage, prioritize and reduce tasks to give them more time to engage in customer service, thereby increasing our productivity and sales conversion.
- *Digital marketing program* – During the last two years, we shifted our primary marketing focus from print to digital marketing. Our improved website also supports our stores with digital marketing and our BOPIS program. Each of these initiatives has given us a closer connection with our customers.
- *Implement loyalty program* – We launched the Academy Credit Card program in May 2019, which constituted approximately 4% of first half 2020 net sales. Academy Credit Card represents a significant opportunity to build customer loyalty, as our Academy Credit Card customers both spend more per trip and visit our stores more often.
- *Programmatic inventory management* – We implemented a new disciplined price markdown strategy that has improved our margins and inventory management, as well as a new merchandise planning and allocation system that enables us to target inventory by store market to allow us to localize our offerings and sizes. This along with automated inventory ordering drove a significant amount of our margin expansion and improved inventory turns from 2.68x in 2017 to 3.36x for the twelve months ended August 1, 2020.
- *Develop small box format* – We opened our first small format store (approximately 40,000 square feet) in Dallas, Texas in 2019. We believe this new smaller format store allows us to open new stores in urban and less dense areas. During first half 2020, this smaller format store experienced approximately 25% higher sales per square foot and 13% higher inventory turns than the average of all Academy stores, the latter of which had $150 sales per square foot and 2.44x inventory turns. We evaluate performance inclusive of store sales, as well as BOPIS sales and other fulfilled sales from the location.

More recently, as a result of the COVID-19 pandemic, consumers are spending more time at and around home engaging in recreation and leisure activities that include our key categories. The outdoor recreation industry, in particular, has tailwinds arising out of the COVID-19 pandemic, as indicated by a survey from Civic Science, stating 43% of Americans expect to be doing more outdoor recreational activities in the future in order to facilitate social distancing. We expect that this will continue throughout the duration of the pandemic and will result in a long-term increase to our customer base. The industry has seen unprecedented increases in participation across several categories which we consider to be our “power categories.” This includes outdoor (comprised of camping, hiking and kayaking), running, fitness and team sports, which saw participation increases of 9%, 3%, 3% and 5%, respectively, from 2014 to 2018. According to Allied Market Research, sales growth from 2019 through 2027 in categories we participate, such as outdoor, team sports, apparel and footwear, is expected to grow approximately 6% per annum. We have invested in and built our operating platforms over the

last several years and, coupled with our product offering and accessible stores, have laid the foundation for our future growth and success in this environment. It is difficult to ascertain with precision what portion of our increased comparable sales during the first half of 2020 is attributable to the increase in e-commerce sales due to the COVID-19 pandemic as compared to the impact of the business improvements described above.

Our Industry

We compete in a $70 billion fragmented market of retailers that sell sporting goods, outdoor recreation products, fan shop, apparel, footwear and other nontraditional sporting goods and general merchandise, such as casual and work apparel, barbecue and cooking equipment, patio furniture, outdoor games, severe weather supplies and pet care. The retail business is highly competitive based on many variables including price, product assortment, customer service, omnichannel experience and store locations.

The retail sporting goods and outdoor recreation retail industry comprises six principal categories of retailers:

- Mass general merchants
- Large format sporting goods stores
- Traditional sporting goods stores
- Specialty outdoor retailers
- Specialty footwear retailers
- Catalogue & Internet retailers

Our primary competitors are large format sporting goods stores and mass general merchants that offer sporting goods, outdoor recreation products and other lifestyle and recreational merchandise.

The overall U.S. sporting goods and outdoors recreation industry is constantly evolving and demand for certain sports and outdoors recreation goods may increase or decrease depending upon the economics, demographics or popularity of each activity. We monitor local demographics and buying trends and tailor our merchandise assortment to the preferences of the local community. As interests change, our broad selection allows us to adapt to shifts and expand or contract our product mix to meet the changing customer demand. Over the last two years, there have been a number of market trends and tailwinds in our favor. We believe we are well positioned to capture the demand from the rising popularity of fast growing trends, including athleisure wear, insulated coolers and cups and outdoor recreation, such as fishing. Additionally, we benefit from recent shifting of customer spend towards in-home health and wellness and dedicating more time to memory-making experiences. More recently, as a result of the COVID-19 pandemic, consumers are spending more time at and around home engaging in isolated recreation and leisure activities that we support. The rising popularity in loyalty to premium brands, and importance of experience for customers also serve as constructive tailwinds to our business. We believe we are well positioned to capture an increasing portion of the wallets of important growing demographics, such as female and Hispanic customers.

We have proven to be adaptive through periods of significant industry transformation. As consolidations and e-commerce disruption have threatened and, in some cases, played a role in shutting down some of our peers, we have taken advantage of these changes by taking market share. Our value-based operating strategy and expansive assortment beyond traditional sporting goods, such as our outdoor gear and work wear categories, have been keys to our success, because they provide a one-stop shop for our customers who are searching for assortment, value and convenience.

Our Competitive Strengths

We attribute our success to the following competitive strengths:

Regional leader in growing industry

We are the second largest full-line sporting goods and outdoor recreation retailer in the United States, with 2019 net sales of $4.8 billion. We believe our stores are well positioned geographically, with a strong and growing presence in six of the top 10 fastest-growing MSAs, including Dallas, Houston, Atlanta, Austin, Charlotte and San Antonio. As of August 1, 2020, 29% of our stores are in four of the top five fastest-growing MSAs. This deep penetration of our established markets results in high customer awareness of, and loyalty to, the Academy name and frequent visits to our conveniently located stores.

The size of the sporting goods and outdoor recreation industry was estimated at $70 billion in the United States in 2018, and it is growing. According to Allied Market Research, sales growth from 2019 through 2027 in categories we participate, such as outdoor, team sports, apparel and footwear, is expected to grow approximately 6% per annum.

Broad assortment and compelling value proposition across the spectrum

We believe we sit in a sweet-spot of consumer demand, offering a broad, value-based assortment of sporting goods and outdoor recreation products, so our customers can participate and have fun, no matter their budget. Sporting goods shoppers consistently rate us as the top retailer for offering sporting and outdoor recreation products for a wide range of customers and being a one-stop shop. We carefully curate our products to provide the right assortment that appeal to beginners, experts, families and casual participants. In May 2020, over one-third of our customers tried a new sport or activity and came to Academy for the products they needed to get started in their new pursuit. We are the largest value-oriented sporting goods and outdoor recreation retailer in the United States. Our sporting goods customers ranked value as the most important driver in deciding where to shop and Academy was rated as the top retailer for value among sporting goods retailers. We maintain our leading value-oriented position by offering customers extensive choices of "good, better and best" merchandise at a range of competitive prices, coupled with convenient omnichannel solutions, a one-stop shopping experience and helpful customer services, such as free assembly of certain products, product demonstrations, hunting and fishing license certifications, fishing line spooling and bulk product carrying out, among others. We offer a price-beat guarantee where, if our customers find a lower price on an identical, in-stock merchandise advertised in print by any local retailer or select online retailers, we will beat that price by 5%. Our effective merchandise mix and compelling value proposition allow us to cater to both the price-conscious shopper, such as the active parent of a household with several children participating in various sports, and the discriminating shopper, such as the hunting and fishing expert. We are for all.

Diversified mix of industry-leading national brands and owned brands

Our access to national brand and owned brand merchandise creates a comprehensive portfolio of value-based and diversified products, spanning various price-points, that differentiates our assortment from our peers. Our category, brand and price-point mix is unique to Academy and difficult to replicate at other retailers. Approximately 80% of our 2019 merchandise sales was comprised of national brand products, with the remainder coming from exclusive products in our portfolio of 17 owned brands. We have minimal product overlap with direct-to-consumer brands and competitors. No single brand we carry accounted for more than 12% of our 2019 sales.

We have premium access to hundreds of well-recognized national brands, such as Nike, Carhartt, adidas, Under Armour, Columbia Sportswear, North Face and Winchester, which are critical to our market penetration.

These brands rely on us to broaden their consumer reach, which fosters a mutually beneficial relationship when it comes to pricing and assortment. We play a critical role in delivering customer volume for these brands, especially as mall-based retailers face further headwinds and our industry consolidates. Our national brand assortment spans across each brand's price spectrum beyond those of our competitors and we expand below the national brand price spectrum by complementing the assortment with our owned brands. As such, we receive favorable product exclusivity from leading suppliers.

Our owned brand portfolio consists of 17 brands, including Magellan Outdoors, BCG, Academy Sports + Outdoors and Outdoor Gourmet. Our owned brand strategy focuses on in-filling categories and price points that our national brand products may not satisfy. Our owned brand offerings support and complement our overall merchandising strategy due to limited price-point overlap with national brands. Our two largest owned brands, Magellan Outdoors and BCG, are among our fastest growing brands, growing year-over-year at 7.6% and 3.9% in 2019, respectively. Additionally, our owned brands generate strong brand equity and drive significant customer loyalty, as several of our exclusive products, such as the Academy-logo folding chair and folding wagon, are top-selling items. Approximately 60% of our customers purchased an owned brand item from us in 2019. Whether it is seeing a row of Academy-branded chairs at a softball game, or individuals wearing Magellan Outdoors shirts around town, our owned brands are worn and used throughout our footprint.

Differentiated in-store experience

Our differentiated in-store experience, convenient locations and our helpful team members ensure that our customers can rely on us on any given day or situation in our region to deliver the right product at a competitive price. We provide a localized in-store experience that allows us to deepen our customer relationships. We tailor our product assortment by store, season and market to enhance year-round profitability. For example, our customers expect us to carry the right baits and lures customized for the local fishing spots, such as heavier selections of saltwater lures in our coastal locations. Stores with different climates and seasonal patterns each receive an assortment that better matches the local conditions. Stores located near a university carry a large selection of that school's licensed apparel giving them a look and feel of the local bookstore, which appeals to the nearby loyal fans and customers. We consider crawfish cookers to be an absolute necessity for our customers in Louisiana, and beach towels are a stronger seller in coastal markets than they are in inland markets. Our customers often shop our stores for same-day-need purchases, such as before a big game with unexpected weather changes, or to purchase an add-on product that was forgotten on a day trip. We have developed considerable expertise in identifying, stocking and selling a relevant assortment to meet the local needs and demands.

We provide an engaging customer shopping experience that drives customer traffic. Our visual merchandising strategy creates an entertaining and interactive in-store shopping experience for a broad range of shoppers. Our stores generally have consistent store layouts providing our customers with familiarity across our entire store base. Our in-store experience is further enhanced by the value-added customer service delivered by our highly trained and passionate staff. Value-added services we provide include free assembly of certain products, such as bicycles, grills and bows, fitness equipment demonstrations, issuances and renewals of hunting and fishing licenses, fishing line spooling and carrying bulk items to the car, among others. We sell many products, such as baseball bats and gloves, football helmets, fishing rods and reels, fitness equipment and bicycles, that require a "touch and feel" experience, as well as bulky items that would otherwise be difficult or costly to ship. We employ team members who we fondly refer to as our *Enthusiasts* –passionate local experts who are specially recruited and trained for category-specific positions. Our *Enthusiasts* use the products they sell and have the first-hand knowledge of the communities they serve, allowing them to advise and equip customers with products that suit the customers' specific needs and the nuances of the local environment. We believe our stores often serve as gathering spots, as our customers come back to engage with our *Enthusiasts* to share experiences and obtain further advice and assistance.

Large and loyal customer base

We endeavor to offer products for customers of all ages, incomes and aspirations across sporting and outdoor recreation activities, seasons and experience levels. As such, we have a balanced, year-round business and a large customer base. In 2019, we estimate we served 30 million unique customers and we completed approximately 80 million transactions, resulting in strong household penetration in our core markets.

Our customers love shopping at Academy. Our average customer visits our stores anywhere from two to four times per year and our best customers visit our stores nine times per year. Academy customers are loyal. Based on our customer surveys, approximately 30% of our customers' annual sporting goods, outdoor and recreation expenditures are made at Academy, in comparison to approximately 20% for our competitors that are large format sporting goods stores and specialty outdoor retailers and their customers. As of August 1, 2020, we estimate we have gained approximately two million new customers this year.

While we serve all customers, our core customers are young active families who are driven to have a life full of different sports and outdoors recreation activities. For these customers, fun is forever at their fingertips, and they constantly look for ways to create memories together as a family. Being a conveniently located, value-oriented, one-stop shop for fun merchandise is why these customers love to shop at Academy. When these families shop at Academy, they often split up to find the items for their respective activities and meet back together before checking out. Our core customers are more active shoppers – they shop us more often and are more likely to be omnichannel customers.

Fans and spectators also constitute a large part of our customer base. Academy-branded folding chairs and wagons are frequently spotted at any local sporting or spectator event. We are active members in our communities, sponsoring events for the NCAA Southeastern Conference, local events, such as the Bassmaster Classic fishing tournament, and over 1,500 local sports teams. We also provide an exciting shopping experience for our communities following a major sports title or local team championship, such as a World Series or NCAA football championship, when we extend our local store hours late into the night to celebrate with our customers and meet their immediate need for a championship apparel or gear to display their team pride. These celebrations strengthen customer loyalty.

Highly experienced and passionate senior management team with a proven track record

Our company is led by a highly-accomplished senior management team with significant public market experience, a proven track record for driving operational efficiency, and a history of using customer data to improve our customer experience and drive our omnichannel strategy. Our senior management team has an average of 24 years of retail experience. Six out of the nine members of our senior management team, including our Chairman, President and Chief Executive Officer, Ken C. Hicks, were hired beginning early 2017 to lead the development and execution of our strategic growth and initiatives in merchandising, e-commerce and omnichannel, stores, information technology and finance. Together, our senior management has delivered strong results, with four consecutive quarters of positive comparable sales as of second quarter 2020, Adjusted EBITDA growth to $323 million in 2019, or 8%, compared to 2018, and Adjusted Free Cash Flow growth of $99 million in 2018 to $197 million in 2019.

Strong and adaptive financial performance through economic cycles

We have remained strong and adaptive over the years through a variety of economic cycles, including economic downturns. Our customers are loyal in any economic environment, and we believe they become even more loyal to our compelling value proposition when the economy is challenged, like during the current recessionary environment resulting from the COVID-19 pandemic. We find that customers will continue to pursue their wellness, interests and passions, regardless of the economic backdrop. As a result, we have gained

market share during all economic cycles, including during April and May 2020. We attribute this to customers knowing we offer a broad assortment of the items they want during a down cycle at everyday value.

We have consistently demonstrated steady revenue growth, expanded profit margins and disciplined capital expenditures. We generated $4.8 billion in net sales, $120 million in net income and $323 million in Adjusted EBITDA in 2019. In 2019, we also generated $264 million of net cash provided by operating activities and $197 million in Adjusted Free Cash Flow, while limiting net capital expenditures to $63 million. We have reduced our net leverage ratio to 1.2x as of end of second quarter 2020 compared to 5.2x as of end of both 2017 and 2018 and 4.1x as of end of 2019.

We have a proven store model that has generated strong Adjusted Free Cash Flow, store-level profitability and return on invested capital. All of our 211 mature stores (stores opened longer than four years) were profitable on a four-wall basis for the twelve months ended August 1, 2020 and our new stores have average payback periods of four to five years.

Our Growth Strategy

We are focused on the following four growth drivers:

Leverage technology and content to drive our omnichannel strategy

Our e-commerce sales represented 5% and 11% of our merchandise sales for 2019 and for the first half 2020, respectively. E-commerce sales increased 406% from the prior quarter in first quarter 2020 and 210% from the prior quarter in second quarter 2020. Our goal is to increase our omnichannel penetration quickly and significantly. To meet this goal, since 2011, we have invested $225 million in omnichannel and information technology initiatives to improve our customers' online experience, with an emphasis on our mobile site and product information content. These investments have resulted in faster load times, more relevant search content, better site design, and a more-streamlined checkout process. We have also invested in omnichannel initiatives, such as BOPIS, curbside pickup and access to store inventory availability online.

Omnichannel offerings are becoming increasingly important, as our customers want options when they shop. During the first half 2020, our omnichannel customers spent 43% more than our store-only customers and 197% more than our online only customers. Since we launched our BOPIS program in 2019, we have seen significant e-commerce penetration that generates higher average order value and incremental in-store purchases. BOPIS orders accounted for 50% of all e-commerce sales during first half 2020. Our omnichannel platform also offers return-to-store capabilities for online orders, curbside fulfillment, the ability to place online orders in our stores if we are out of stock, and the ability to ship orders placed online from our retail locations. These capabilities help reduce the risk of lost sales and shorten delivery times for online orders while improving inventory productivity. We expect to launch our ship-to-store capabilities in third quarter 2020, which will continue to give our customers more options on how to shop Academy.

Our website also serves as the gateway to shopping in our stores. These customers leverage our website to learn more about the products and brands we sell, read reviews from other customers, compare prices and ensure their local Academy store has the inventory prior to heading to the store. Our website is also critical to reaching customers outside of our current store footprint. For the twelve months ended August 1, 2020, we reached approximately 6.7 million unique households, across 200 cities, in 44 states through ship-to-home orders made through our website. In 2019, 11% of our online transactions were ordered by customers in markets with no Academy stores. Our e-commerce platform's top ten out-of-store-footprint MSAs include adjacent markets, such as Tampa, Miami and Savannah. As we continue to bolster our omnichannel offerings, we expect to drive traffic to our stores and website and expand our reach beyond our store footprint.

Enhance customer engagement and increase retention

We believe we have a significant opportunity to continue to expand our customer base. Better understanding our customers' buying trends allows us to better target and cater to our customers. Our robust customer database has 38 million unique customers, and we continue to grow this through increased penetration of e-commerce sales and through the success of our Academy Credit Card program.

We utilize data obtained from our customer relationship management, or CRM, tools and targeted customer surveys. Our CRM tools enable us to create effective customer-targeting strategies. Our current CRM programs focus on welcoming our first-time customers, thanking our big spenders, reactivating our lapsed customers and cross-selling our category customers (including our hunting, sports equipment and recreation categories). With 38 million customers in our database, there is ample opportunity to increase our communication directly with our customers via one-on-one marketing. We are also leveraging the information from our approximately 80 million annual transactions to make more informed, localized decisions on promotion, marketing and inventory.

Online transactions are critical to helping us understand and analyze buying patterns. Data collected through our website allows us to personalize promotions for customers and recommend products based on purchase behavior. The Academy Credit Card program also provides data to track our customers' purchases across all channels, giving us the ability to better serve and target those customers. Launched in May 2019, the Academy Credit Card program constituted approximately 4% of first half 2020 net sales. Our customers are attracted to the Academy Credit Card because of its bank-funded 5% discount on every Academy purchase and free standard shipping on online orders of $15 or more. Academy Credit Card holders are responsible for paying all fees associated with having an Academy Credit Card, including any late fees, and we are responsible for paying all costs associated with shipping online orders of $15 or more purchased with an Academy Credit Card.

We believe we possess a significant amount of high quality customer data, which we can leverage to enhance customer engagement and retention and drive purchase conversion.

Enhance operational excellence

We intend to enhance profitability by improving our operational efficiencies. We will continue to optimize our merchandise presentation through strategic store remodeling and enhanced visual storytelling, improve our inventory management through disciplined pricing markdowns, and augment the customer experience through more efficient queuing and check out procedures.

Much of our margin expansion from 2017 to 2019 can be attributed to our improvements in inventory management. We can improve operations across our organization by optimizing our in-store inventory management and implementing automated re-ordering and labor scheduling. We have deployed several new tools to this end, which will enable us to further improve inventory handling and vendor management. For example, we have implemented third party programs to analyze our inventory stock throughout the year at every location. This implementation has allowed us to improve our inventory management in stores, increasing the average inventory turns from 2.68x in 2017 to 3.36x for the twelve months ended August 1, 2020, and has helped us to identify and exit certain product categories, such as luggage and toys.

We believe we can also enhance store operations through technology and personnel investments that will allow our team members to better manage and prioritize tasks, thereby increasing their productivity and sales conversion. These investments, for example, will reduce administrative tasks to enable more time for engaging in customer service.

Our supply chain initiatives include improving our logistics by leveraging our merchandising planning and assortment capabilities and facilitating product flow through our distribution centers. We use technology to track inventory daily and keep our distribution centers and stores in sync. Our data-driven process allows us to

improve communication with our suppliers and ensure we are rightfully equipped with the correct inventory in our regional locations, and has and will continue to help us to identify and exit certain product categories, such as luggage and toys. Although we believe these initiatives have helped us, we experienced a gross margin decline in the first quarter 2020 as a result of a shift in consumer preferences due to the COVID-19 pandemic and the related increased popularity in our isolated recreation, outdoor and leisure activity products, which are generally lower margin goods.

As our e-commerce sales continue to shift further towards BOPIS and curbside fulfillment, our overall omnichannel platform becomes more profitable, and we expect this trend to continue as we add more omnichannel solutions, such as ship-to-store, and further develop our omnichannel order execution and fulfillment capabilities.

Capitalize on substantial whitespace and in-fill opportunities

We have significant growth opportunities in both our core markets and outside of our footprint. We believe our real estate strategy has positioned us well for further expansion, and our track record has demonstrated that we can open and operate stores profitably. Our disciplined approach to new store openings has allowed most of our stores to achieve profitability within the first twelve months of opening a store. As of the end of first half 2020, we had 211 mature stores, and all were profitable on a four-wall basis for the twelve months ended August 1, 2020. We expect to open eight to 10 new stores per year starting in 2022, which is similar to our growth rates from 2018 to 2019.

In-fill market opportunity

We classify in-fill markets as regions where we already have a well-established presence. We believe we have an opportunity to expand into surrounding metro areas and more rural locations. Some examples include Dallas/Fort Worth, Atlanta, Raleigh-Durham, Charlotte, New Orleans and Jacksonville. We believe our in-fill opportunity currently includes approximately 120 locations that could accommodate our preferred size of stores in markets we would consider.

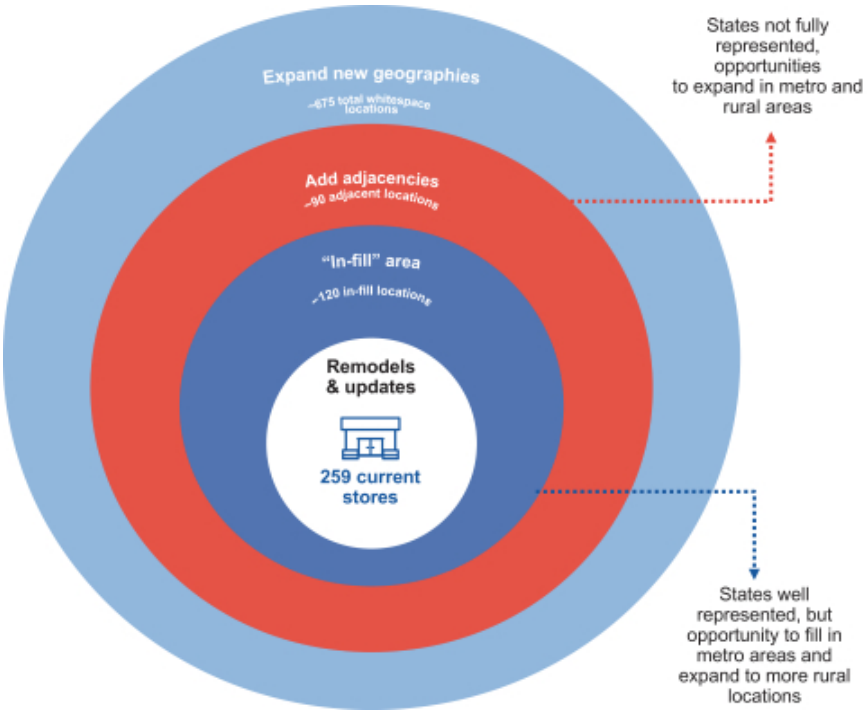
Adjacent market opportunity

We consider adjacent markets to include markets that are not fully represented. We believe these regions provide opportunities to expand in metro and rural areas that sit right outside of our current footprint. We believe our adjacent market opportunity currently includes approximately 90 locations that could accommodate our preferred size of stores in markets we would consider.

Greenfield opportunity

Beyond our in-fill and adjacent markets, we believe we have the opportunity to expand across the nation. We currently have store locations in 16 states, which leaves us substantial room for growth beyond our core geographies. We believe our greenfield opportunity currently includes approximately 675 locations that could accommodate our preferred size of stores in markets we would consider.

Significant growth opportunity



The majority of our store expansion is expected to be with our traditional box size of approximately 70,000 gross square feet. We have also recently tested a smaller store format, which is approximately 40% smaller than our average store, that we believe will be advantageous for in-fill markets and other metropolitan areas.

While we will continue to prioritize investments in our existing operations and omnichannel capabilities, we will continue to judiciously expand. We have online delivery capabilities in almost every state and will focus on disciplined new store openings. As we reach into new and existing markets, we expect our omnichannel platform to lead the way in our geographic expansion.

Risks Related to Our Business and this Offering

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described in "Risk Factors" before making a decision to invest in our common stock. If any of these risks actually occurs, our business, results of operations and financial condition may be materially adversely affected. In such case, the trading price of our common stock may decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

- overall decline in the health of the economy and consumer discretionary spending;
- our ability to predict or effectively react to changes in consumer tastes and preferences, to acquire and sell brand name merchandise at competitive prices, and/or to manage our inventory balances;
- intense competition in the sporting goods and outdoor recreation retail industries;
- the impact of COVID-19 on our business and financial results;

- our ability to safeguard sensitive or confidential data relating to us and our customers, team members and vendors;
- risks associated with our reliance on internationally manufactured merchandise;
- our ability to comply with laws and regulations affecting our business, including those relating to the sale, manufacture and import of consumer products;
- claims, demands and lawsuits to which we are, and may in the future, be subject and the risk that our insurance or indemnities coverage may not be sufficient;
- harm to our reputation;
- our ability to operate, update or implement our information technology systems;
- our substantial indebtedness;
- our being a "controlled company" within the meaning of Nasdaq rules and, as a result, qualifying for exemptions from certain corporate governance requirements; and
- KKR Stockholders controlling us and their interests conflicting with ours or yours in the future.

KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business.

Our Corporate Information

Our principal offices are located at 1800 North Mason Road, Katy, Texas 77449. Our telephone number is (281) 646-5200. We maintain a website at academy.com. The reference to our website is intended to be an inactive textual reference only. **The information contained on, or that can be accessed through, our website is not part of this prospectus.**

The Offering	
Common stock offered by us	shares.
Option to purchase additional shares of common stock	We have granted the underwriters a 30-day option from the date of this prospectus to purchase up to additional shares of our common stock at the initial public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise in full their over-allotment option).
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million (or approximately $ million, if the underwriters exercise in full their over-allotment option), assuming an initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. For a sensitivity analysis as to the offering price and other information, see "Use of Proceeds." We intend to use these proceeds for general corporate purposes, which may include the repayment of certain indebtedness, as will be determined prior to this offering.
Conflicts of Interest	Affiliates of KKR beneficially own in excess of 10% of our issued and outstanding common stock. Because KKR Capital Markets LLC, an affiliate of KKR, is an underwriter in this offering and its affiliates own in excess of 10% of our issued and outstanding common stock, KKR Capital Markets LLC is deemed to have a "conflict of interest" under Rule 5121, or Rule 5121, of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering is being made in compliance with the requirements of Rule 5121. Pursuant to that rule, the appointment of a "qualified independent underwriter" is not required in connection with this offering as the member primarily responsible for managing the public offering does not have a conflict of interest, is not an affiliate of any member that has a conflict of interest and meets the requirements of paragraph (f)(12)(E) of Rule 5121. See "Underwriting (Conflicts of Interest)."
Controlled company	After the completion of this offering, KKR Stockholders will collectively beneficially own % of the voting power of our common stock. We currently intend to avail ourselves of the controlled company exemption under the corporate governance standards of Nasdaq.
Dividend policy	We have no current plans to pay dividends on our common stock. Any decision to declare and pay dividends in the future will be made

	at the sole discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, legal, tax, regulatory and contractual restrictions, including restrictions in the agreements governing our indebtedness, and other factors that our board of directors may deem relevant. See "Dividend Policy."
Risk factors	Investing in shares of our common stock involves a high degree of risk. See "Risk Factors" for a discussion of factors you should carefully consider before investing in shares of our common stock.
Material U.S. federal income and estate tax consequences to non-U.S. holders	For a discussion of certain U.S. federal income and estate tax consequences that may be relevant to non-U.S. stockholders, see "Material U.S. Federal Income and Estate Tax Consequences to Non-U.S. Holders."
Proposed Nasdaq trading symbol	"ASO."

Unless we indicate otherwise or the context otherwise requires, this prospectus reflects and assumes:

- no exercise of the underwriters' option to purchase additional shares of our common stock;
- an initial public offering price of $ per share of common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus; and
- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the consummation of this offering.

The number of shares of common stock to be outstanding after this offering excludes:

- shares of common stock issuable upon exercise and/or vesting of existing equity awards under the New Academy Holding Company, LLC 2011 Unit Incentive Plan, or the 2011 Equity Plan. See "Executive Compensation—Equity Compensation Plans—2011 Equity Plan;"
- shares of common stock reserved for future issuance under our new 2020 Omnibus Incentive Plan, or the 2020 Equity Plan, which we intend to adopt in connection with this offering. See "Executive Compensation—Equity Compensation Plans—2020 Equity Plan;" and
- shares of common stock reserved for future issuance under our new 2020 Employee Stock Purchase Plan, or the ESPP, which we intend to adopt in connection with this offering. See "Executive Compensation—Equity Compensation Plans—2020 Employee Stock Purchase Plan."

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

Set forth below is the summary historical consolidated financial and other data for New Academy Holding Company, LLC and its subsidiaries. The summary historical financial data for 2019, 2018 and 2017 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical financial data as of August 1, 2020 and for the twenty-six weeks ended August 1, 2020 and August 3, 2019 has been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The results of operations for any period are not necessarily indicative of our future financial condition or results of operations.

The summary historical consolidated financial data of Academy Sports and Outdoors, Inc. has not been presented, as Academy Sports and Outdoors, Inc. is a newly incorporated entity, has had no business transactions or activities to date other than in connection with its formation and this offering and had no assets or liabilities during the periods presented in this section.

You should read the following summary financial and other data below together with the information under "Selected Historical Consolidated Financial Data," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes and our unaudited condensed consolidated financial statements and related notes, each included elsewhere in this prospectus.

	Fiscal Year Ended			Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Period length (In thousands)	52 weeks	52 weeks	53 weeks	26 weeks	26 weeks
Statement of Income Data:					
Net sales[1]	$ 4,829,897	$ 4,783,893	$ 4,835,582	$ 2,742,721	$ 2,314,202
Costs of goods sold	3,398,743	3,415,941	3,436,618	1,948,275	1,616,002
Gross margin	1,431,154	1,367,952	1,398,964	794,446	698,200
Selling, general and administrative expenses	1,251,733	1,239,002	1,241,643	596,636	614,172
Operating income	179,421	128,950	157,321	197,810	84,028
Interest expense, net	101,307	108,652	104,857	48,088	52,586
(Gain) on early retirement of debt, net[2]	(42,265)	—	(6,294)	(7,831)	(42,265)
Other (income), net	(2,481)	(3,095)	(2,524)	(1,621)	(1,454)
Income before income taxes	122,860	23,393	61,282	159,174	75,161
Income tax expense	2,817	1,951	2,781	1,518	1,408
Net income	$ 120,043	$ 21,442	$ 58,501	$ 157,656	$ 73,753

Period length (In thousands, except store data)	Fiscal Year Ended February 1, 2020 52 weeks	Fiscal Year Ended February 2, 2019 52 weeks	Fiscal Year Ended February 3, 2018 53 weeks	Twenty-Six Weeks Ended August 1, 2020 26 weeks	Twenty-Six Weeks Ended August 3, 2019 26 weeks
Balance Sheet Data (end of period):					
Cash and cash equivalents				$ 884,029	
Merchandise inventories, net				899,086	
Working capital(3)				758,081	
Total assets(3)				4,816,582	
Total debt, net of deferred loan costs				1,431,050	
Total equity				1,149,096	
Cash Flow Data:					
Net cash provided by operating activities	$ 263,669	$ 198,481	$ 83,355	$ 773,621	$103,961
Net cash used in investing activities	(66,783)	(99,027)	(115,901)	(13,850)	(31,767)
Net cash provided by (used in) financing activities	(123,192)	(54,808)	8,514	(25,127)	(95,795)
Capital expenditures	62,818	107,905	132,126	13,850	27,802
Store Data (unaudited):					
Comparable sales increase (decrease)	(0.7)%	(2.5)%	(5.2)%	15.9%	(4.3)%
Number of stores at end of period	259	253	244	259	254
Total square feet at end of period (in millions)	18.3	17.9	17.3	18.3	18.0
Net sales per square foot(4)	$ 264	$ 267	$ 279	$ 150	$ 129
Other Financial Data (unaudited):					
Adjusted EBITDA(5)	$ 322,814	$ 300,259	$ 315,420	$ 282,902	$156,837
Adjusted Net Income(5)	101,469	55,405	72,078	179,106	43,800
Pro Forma Adjusted Net Income(5)	75,927	41,338	53,732	134,844	32,737
Adjusted Free Cash Flow(5)	196,886	99,454	(32,546)	759,771	72,194

(1) The impact of the 53rd week to 2017 net sales was $60.6 million.

(2) In first half 2020 and in 2019 and 2017, we repurchased principal on our Term Loan Facility, which was trading at a discount and recognized a gain, net of the write-off of related deferred loan costs. In first half 2020, we repurchased a total of $23.9 million of principal in open market transactions for an aggregate price of $16.0 million and recognized a related net gain of $7.8 million. In 2019, we repurchased a total of $147.7 million of principal in open market transactions for an aggregate purchase price of $104.6 million and recognized a related net gain of $42.3 million. In 2017, we repurchased $26.2 million of principal in open market transactions for an aggregate purchase price of $19.7 million and recognized a related net gain of $6.3 million.

(3) Effective February 3, 2019, we adopted the New Lease Standard, which requires that lessees recognize assets and liabilities arising from operating leases on the balance sheet. Adoption of the new standard resulted in $1.2 billion in right-of-use assets and a combined $1.2 billion between current lease liabilities and long-term lease liabilities included on the balance sheet as of February 3, 2019. See Note 2 and Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for further details regarding the adoption of this standard.

(4) Calculated using net sales and square footage of all stores open at the end of the respective period. Square footage includes the in-store storage, receiving and office space that generally occupies approximately 15% of total store space in our stores.

(5) We define Adjusted EBITDA as net income (loss) before interest expense, net, income tax expense and depreciation, amortization and impairment, further adjusted to exclude consulting fees, Adviser monitoring fees, stock based compensation expense, gain on early extinguishment of debt, net, severance and executive transition costs, costs related to the COVID-19 pandemic, inventory write-down adjustments associated with strategic merchandising initiative and other adjustments. We describe these adjustments reconciling net

income (loss) to Adjusted EBITDA in the applicable table below. We define Adjusted Net Income (Loss) as net income (loss), plus consulting fees, Adviser monitoring fees, stock based compensation expense, gain on early extinguishment of debt, net, severance and executive transition costs, costs related to the COVID-19 pandemic, inventory write-down adjustments associated with strategic merchandising initiative and other adjustments, less the tax effect of these adjustments. We define Pro Forma Adjusted Net Income (Loss) as Adjusted Net Income (Loss) plus the estimated federal tax liability based on our proposed C-Corporation structure after this offering. We describe these adjustments reconciling net income (loss) to Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) in the applicable table below. We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities less net cash used in investing activities. We describe these adjustments reconciling net cash provided by operating activities to Adjusted Free Cash Flow in the applicable table below.

Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow have been presented in this prospectus as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. Management believes Adjusted Free Cash Flow is a useful measure of liquidity and an additional basis for assessing our ability to generate cash. Management uses Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish and award discretionary annual incentive compensation, to report our compliance with certain covenants in our debt agreements, and to compare our performance against that of other peer companies using similar measures.

Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or net cash provided by operating activities as a measure of liquidity, or any other performance measures derived in accordance with GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) should not be construed to imply that our future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our GAAP results in addition to using Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow supplementally.

Our Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow measures have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect costs or cash outlays for capital expenditures or contractual commitments;

- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt, and Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our debt;
- Adjusted EBITDA does not reflect period to period changes in taxes, income tax expense or the cash necessary to pay income taxes;
- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Adjusted Free Cash Flow do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness.

The following tables provide reconciliations of net income (loss) to Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) for the periods presented:

(In thousands)	Fiscal Year Ended			Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Net income	$ 120,043	$ 21,442	$ 58,501	$157,656	$ 73,753
Interest expense, net	101,307	108,652	104,857	48,088	52,586
Income tax expense	2,817	1,951	2,781	1,518	1,408
Depreciation, amortization and impairment	117,254	134,190	135,680	54,151	59,097
Consulting fees (a)	3,601	949	10,263	92	3,280
Adviser monitoring fee (b)	3,636	3,522	3,387	1,840	1,760
Stock based compensation (c)	7,881	4,633	4,580	3,690	4,467
Gain on early extinguishment of debt, net	(42,265)	—	(6,294)	(7,831)	(42,265)
Severance and executive transition costs (d)	1,429	4,350	7,409	4,137	—
Costs related to the COVID-19 pandemic (e)	—	—	—	17,632	—
Inventory write-down adjustments associated with strategic merchandising initiative (f)	—	18,225	4,400	—	—
Other (g)	7,111	2,345	(10,144)	1,929	2,751
Adjusted EBITDA	$ 322,814	$ 300,259	$ 315,420	$282,902	$156,837

(In thousands)	Fiscal Year Ended			Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Net income	$ 120,043	$ 21,442	$ 58,501	$157,656	$ 73,753
Consulting fees (a)	3,601	949	10,263	92	3,280
Adviser monitoring fee (b)	3,636	3,522	3,387	1,840	1,760
Stock based compensation (c)	7,881	4,633	4,580	3,690	4,467
Gain on early extinguishment of debt, net	(42,265)	—	(6,294)	(7,831)	(42,265)
Severance and executive transition costs (d)	1,429	4,350	7,409	4,137	—
Costs related to the COVID-19 pandemic (e)	—	—	—	17,632	—
Inventory write-down adjustments associated with strategic merchandising initiative (f)	—	18,225	4,400	—	—
Other (g)	7,111	2,345	(10,144)	1,929	2,751
Tax effects of these adjustments (h)	33	(61)	(24)	(39)	54
Adjusted Net Income	$ 101,469	$ 55,405	$ 72,078	$179,106	$ 43,800
Estimated tax effect of change to C-Corporation status (i)	(25,542)	(14,067)	(18,346)	(44,262)	(11,063)
Pro Forma Adjusted Net Income	$ 75,927	$ 41,338	$ 53,732	$134,844	$ 32,737

(a) Represents outside consulting fees associated with our strategic cost savings and business optimization initiatives.

(b) Represents our contractual payments under our Monitoring Agreement with the Adviser. See “Certain Relationships and Related Party Transactions—Monitoring Agreement.”

(c) Represents non-cash charges related to the 2011 Equity Plan, which vary from period to period depending on certain factors such as timing and valuation of awards, achievement of performance targets and equity award forfeitures.

(d) Represents severance costs associated with executive leadership changes and enterprise-wide organizational changes.
(e) Represents costs incurred as a result of the COVID-19 pandemic, including temporary wage premiums, additional sick time, costs of additional cleaning supplies and third party cleaning services for the stores, corporate office and distribution centers, accelerated freight costs associated with shifting our inventory purchase earlier in the year to maintain stock and legal fees associated with consulting in local jurisdictions.
(f) Represents inventory write-down adjustments in connection with our new merchandising strategy adopted as part of our strategic transformation, including exiting certain categories of products.
(g) Other adjustments include (representing deductions or additions to Adjusted EBITDA and Adjusted Net Income (Loss), as applicable) amounts that management believes are not representative of our operating performance, including investment income, net losses associated with Hurricane Harvey, additional profits associated with the 53rd week in fiscal year 2017, additional profits associated with Houston Astros World Series appearances, installation costs for energy savings associated with our profitability initiatives, store exit costs and other costs associated with strategic cost savings and business optimization initiatives.
(h) Represents the tax effect of the total adjustments made to arrive at Adjusted Net Income (Loss) at our historical tax rate.
(i) Represents the tax effect of Adjusted Net Income (Loss) at our estimated effective tax rate of 24.5%. We are currently treated as a flow through entity for U.S. federal and state income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income. After consummation of this offering, we will become subject to U.S. federal and state income taxes and be taxed at the prevailing corporate rates. Our actual federal tax rate, and our actual income tax liability, after this offering may be different from our assumed rate, and such difference may be material.

The following table provides a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow for the periods presented:

	Fiscal Year Ended			Twenty-Six Weeks Ended	
(In thousands)	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Net cash provided by (used in) operating activities	$ 263,669	$ 198,481	$ 83,355	$773,621	$103,961
Net cash used in investing activities	(66,783)	(99,027)	(115,901)	(13,850)	(31,767)
Adjusted Free Cash Flow	$ 196,886	$ 99,454	$ (32,546)	$759,771	$ 72,194

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information set forth in this prospectus before deciding to invest in shares of our common stock. If any of the following risks actually occurs, our business, results of operations and financial condition may be materially adversely affected. In such case, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Business

Our results of operations are highly dependent on the U.S. economy and U.S. consumer discretionary spending and an economic and financial downturn may cause a decline in U.S. consumer discretionary spending and may adversely affect our business, operations, liquidity, capital resources and financial results.

Our results of operations are affected by the relative condition of the U.S. economy. All of our sales are generated within the United States, making our results of operations highly dependent on the U.S. economy and U.S. consumer discretionary spending. A decline in discretionary spending by U.S. consumers could negatively affect our business and results of operations.

The general conditions that affect U.S. consumer discretionary spending in our markets include:

- health of the economy;
- consumer confidence in the economy;
- financial market volatility;
- wages, jobs and unemployment trends;
- the housing market, including real estate prices and mortgage rates;
- consumer credit availability;
- consumer debt levels;
- gasoline and fuel prices;
- interest rates and inflation;
- tax rates and tax policy;
- immigration policy;
- import and customs duties/tariffs and policy;
- impact of natural or man-made disasters;
- legislation and regulations;
- international unrest, trade disputes, labor shortages, and other disruptions to the supply chain;
- changes to raw material and commodity prices;
- national and international security and safety concerns; and
- impact of public health pandemics on team members and the economy.

Increasing volatility in financial markets may cause some of the aforementioned conditions to change with even greater degree of frequency and magnitude. In addition, the recent COVID-19 pandemic, or fear of such an event, could evolve into a worldwide crisis that could adversely affect the economies and financial markets of many countries, including the United States, resulting in an economic downturn that could affect demand for our

products, materially adversely affect our business operations, our team members, facilities, partners, suppliers, distributors or customers, decrease traffic to our stores, create delays and inefficiencies in our supply chain, and make it difficult or impossible for us to deliver products to our customers.

Our comparable sales, net sales per square foot, customer traffic or average value per transaction may be adversely affected if, for example, our customers reduce their purchases with us due to job losses, foreclosures, bankruptcies, higher consumer debt and interest rates, higher taxes, reduced access to credit, falling home prices and lower consumer confidence. A reduction in overall consumer spending which causes customers to shift their spending to products other than those sold by us or to products sold by us that are less profitable could result in lower net sales, decreases in inventory turnover or a reduction in profitability due to lower margins, which could make it more difficult for us to generate cash flow sufficient to satisfy our obligations under our indebtedness. A prolonged period of depressed consumer spending could have a material adverse effect on our business.

Additionally, if the U.S. or global economy experiences a crisis or downturn, including any capital markets volatility or government intervention in the financial markets, or if the U.S. or global economy experiences a prolonged period of decelerating or negative growth, then our liquidity, capital resources or results of operations could be materially and adversely impacted. For example, although we typically generate funds from our operations to pay our operating expenses and fund our capital expenditures, our ability to continue to meet these cash requirements over the long-term may require access to additional sources of funds, including our ABL Facility, incremental term loan facilities and the equity and debt capital markets. Adverse financial and economic conditions may adversely affect our ability to draw on our ABL Facility, the ability of banks to honor draws on our ABL Facility or our ability to obtain incremental term loan facilities or access the equity and debt capital markets. In addition, adverse economic conditions could adversely affect our suppliers' access to the capital and liquidity required to maintain their inventory, production levels, timeliness and product quality and to operate their businesses, which could adversely affect our supply chain, or could reduce our suppliers' offerings of trade credit, customer incentives, vendor allowances, cooperative marketing expenditures and product promotions, which could adversely affect our results of operations. Adverse economic conditions could also make it difficult for both us and our suppliers to accurately forecast future product demand trends, which could cause us to carry too much or too little merchandise in various product categories, or could adversely affect our landlords and real estate developers of retail space, which may limit the availability of attractive leased store locations. The potential ongoing effects of an economic and financial crisis are difficult to forecast and mitigate. We may experience difficulties in operating and growing our operations to react to a U.S. or global financial or economic crisis or downturn. We may be unable, in such cases, to predict how robust a recovery of the U.S. or global economy will be or whether or not it will be sustained.

If we are unable to predict or effectively react to changes in consumer tastes and preferences, or if we fail to acquire and sell brand name merchandise at competitive prices, or if we are not successful in managing our inventory balances, then we may lose customers and our sales may decline and our results of operations may be negatively affected.

The level of success we achieve is dependent on, among other factors, the frequency of merchandise and service innovations, how accurately and timely we predict consumer tastes and preferences regarding sporting goods and outdoor recreation merchandise, the level of consumer demand, the availability of merchandise, the related impact on the demand for existing merchandise, and the competitive environment. Our products must appeal to a broad range of customers whose preferences cannot be predicted with certainty and are subject to change. We must identify, obtain supplies of, and offer to our customers, attractive, innovative and high-quality merchandise on a continuous basis. It is difficult to predict consistently and successfully the products and services our customers will demand as we often purchase products from our vendors several months in advance of the proposed delivery. Our failure to timely identify or effectively respond to changing consumer tastes, preferences and spending patterns could negatively affect our relationship with our customers, the demand for our merchandise and services and our market share, which could have a material adverse effect on our net sales and results of operations.

An unexpected major shift in consumer demand away from sporting goods, sports and casual apparel and footwear, and outdoor recreation products could have a material adverse effect on our business, results of operations and financial condition. Consumer spending on sporting goods, sports and casual apparel and footwear, and outdoor recreation products could decrease or be displaced by spending on other activities due to a number of factors, including:

- shifts in behavior away from team sports and outdoor activities in favor of media and electronics-driven leisure activities;
- state, local and federal government budget cuts on facilities and activities, such as school athletic budgets, parks, ball fields, recreational sports leagues, hunting and fishing services, etc.;
- legal and regulatory changes in federal and state hunting and fishing seasons, bag limits and firearm and ammunition restrictions;
- consumer activism relating to controversial products we may carry, services we may perform, or our corporate philosophy, including those relating to firearms and ammunition, which could cause them to take their retail business elsewhere;
- escalating costs of sporting and outdoor activities due to adverse changes in economic conditions, including rising fuel prices, rising participation fees and rising sporting license fees; and
- natural or man-made disasters (e.g., an oil spill closing large areas of hunting or fishing), including hurricanes, tornadoes, large storms and floods, and the effects of such events on the ability of large urban areas to continue spending on sporting goods and outdoor recreation products.

Total consumer spending may not continue to increase at historical rates due to slowed production growth and shifts in population demographics, and it may not increase in certain product categories given changes in consumer interests and participation rates. Our results of operations could be negatively affected if consumer spending on sporting goods and outdoor recreation products or sports participation rates decline.

Our business is highly dependent upon our ability to purchase brand name merchandise from our vendors at competitive prices. We cannot guarantee that we will be able to acquire such brand name merchandise at competitive prices or on competitive terms in the future. In this regard, brand name merchandise that is in high demand may be allocated by brand name vendors based upon the vendors' internal criterion which is beyond our control. If we lose any of our brand name vendors or if any of our brand name vendors fail to supply us with brand name merchandise, we may not be able to meet the demand of our customers for their brand names.

We must maintain sufficient inventory levels of merchandise that our customers desire to successfully operate our business. A shortage of popular merchandise could reduce our net sales. Conversely, we also must seek to avoid accumulating excess inventory to maintain appropriate in-stock levels. If we overstock unpopular merchandise, then we may be forced to take significant inventory markdowns or miss opportunities for the sale of other merchandise, both of which could have a negative impact on our profitability, and, in turn, our sales may decline or we may be required to sell the merchandise we have obtained at lower prices. For example, the popularity of much of the licensed apparel we offer is dependent on the performance of certain sporting teams throughout the course of the applicable sports seasons. If we overestimate or underestimate the projected success of a certain sports team, we may have to take significant mark-downs of our licensed apparel for that sports team or we may miss the opportunity to sell additional licensed apparel or other products with that sports team's logo. The success of sporting teams is highly uncertain and difficult to predict. In addition, macro factors, such as the COVID-19 pandemic, may significantly affect whether or not certain sports leagues are able to host their games in their usual seasons, and if they are, whether or not spectators can attend. Our licensed apparel is significantly more popular when spectators are able to attend the games of the sports teams featured on such apparel. If we are not successful in managing our inventory balances, our results of operations may be negatively affected.

Intense competition in the sporting goods and outdoor recreation retail industries could limit our growth and reduce our profitability.

The market for sporting and outdoor recreation goods is highly fragmented and intensely competitive. Our current and prospective competitors include many large companies, some of which have substantially greater market presence, name recognition and financial, marketing and other resources than us. We compete directly or indirectly with the following categories of companies:

- mass general merchants;
- large format sporting goods stores;
- traditional sporting goods stores;
- specialty outdoor retailers;
- specialty footwear retailers; and
- catalogue and internet retailers.

Pressure from our competitors could require us to reduce our prices or increase our spending for advertising and promotion. Traditional competitors have become increasingly promotional and, if our competitors reduce their prices, it may be difficult for us to reach our net sales goals without reducing our prices, which could impact our margins. Increased competition in markets in which we have stores or the adoption by competitors of innovative store formats, aggressive pricing, promotion or delivery strategies and retail sale methods, such as the Internet, could cause us to lose market share and could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, as the popularity and use of Internet sites and free merchandise shipping continue to increase, our business faces increased competition from various domestic and international sources, including our suppliers. Additionally, the ability of consumers to compare prices on a real-time basis through the use of smartphones and digital technology puts additional pressure on us to maintain competitive prices vis-à-vis our competitors. We may require significant capital in the future to sustain or grow our business, including our store and e-commerce activities, due to increased competition, and there is no assurance that cash flow from operations will be sufficient to meet those needs or that additional sources of capital will be available on acceptable terms or at all.

The impact of COVID-19 may adversely affect our business and financial results.

The worldwide COVID-19 pandemic has negatively impacted the global and U.S. economies, disrupted consumer spending and global supply chains, and created significant volatility and disruption of labor and financial markets. The COVID-19 pandemic may have an adverse impact on our business and financial performance, including an economic downturn that adversely affects demand for our products, adversely affects our business operations, our team members, facilities, partners, suppliers, distributors or customers, decreases demand for our products, creates delays and inefficiencies in our supply chain, and makes it difficult for us to timely provide products to our customers. The extent of the impact of the COVID-19 pandemic on our business and financial performance, including our ability to execute our near-term and long-term business strategies and initiatives in the expected time frame, will depend on future developments, including the duration and severity of the pandemic, which are uncertain and cannot be predicted.

As a result of the COVID-19 pandemic, various governmental authorities and we have imposed and may further impose numerous requirements and restrictions on the operations of our facilities that are intended to protect the health and safety of our team members, consumers and communities, including temporary full or partial closures of our stores, distribution centers and corporate headquarters, restrictions on our goods and services eligible for sale, restrictions on the ability of customers and team members to reach our stores and other facilities and the neighboring businesses upon which we rely to drive traffic to our stores, and the closures of schools and businesses that our team members may rely upon for childcare while they work. The situation also

has necessitated the imposition of significant new safety measures to which we must adhere to safely serve our customers while also providing for the safety of our team members and suppliers, including limitations on the number of customers and team members allowed in our stores at any given time, shorter operating hours, and increased distancing, face covering, cleaning and sanitization protocols. Each of these necessary measures has substantially increased our operating costs, including, but not limited to, costs incurred to implement the operational changes described above and certain payments to or other costs relating to team members who are not working during the pandemic. These limitations, requirements and decreases, which are unprecedented, unexpected, ongoing and indefinite, may adversely impact our business and results. During the first quarter 2020, we closed our corporate headquarters, temporarily furloughed a significant portion of our corporate team members, and most of our active corporate team members worked from home due to local shutdown orders, and any need to take these actions again in the future may negatively impact productivity and cause other disruptions to our business. We began partially reopening our corporate headquarters during May 2020 to a limited number of team members and the remainder of our corporate team members returned to our corporate headquarters on June 8, 2020, in accordance with local guidelines. Our information technology systems and cybersecurity could also be adversely affected due to any significant increase in remote working of our team members due to any future closing of our corporate headquarters and in online orders due to a significant increase in online transactions. The operations of our stores, distribution centers, and corporate office could be further restricted, if we deem necessary or if recommended or mandated by authorities and these measures could have an adverse impact on our sales and profits.

As a result of the COVID-19 pandemic, we may have fewer resources to operate our business and we could also see deterioration in macroeconomic factors that typically affect us. In addition, consumer fears about becoming ill with the disease may continue, which will adversely affect traffic to our stores. Any significant reduction in consumer willingness to visit stores, levels of consumer spending at our stores or team member willingness to staff our facilities, or the further temporary closure of our facilities, relating to the pandemic or its impact on the economy, consumer sentiment or health concerns, could result in a loss of sales and profits and other material adverse effects. Consumer spending generally may also be negatively impacted by general macroeconomic conditions and consumer confidence, including the impacts of any recession, resulting from the COVID-19 pandemic. Any decreased spending at stores or online caused by decreased consumer confidence and spending following the pandemic could result in a loss of sales and profits and other material adverse effects. Also, if we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate for a particular region or our company as a whole, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

The COVID-19 pandemic also has the potential to significantly impact our supply chain if the factories that manufacture our products, the distributors that distribute our products, the distribution centers where we manage our inventory, or the operations of our logistics and other service providers are disrupted, temporarily closed or experience worker shortages. We may also see further disruptions or delays in shipments and negative impacts to pricing of certain components of our products. The COVID-19 pandemic has already impacted the suppliers of products we sell, particularly as a result of mandatory shutdowns in locations where our products are manufactured.

A significant amount of our merchandise is produced in China and the recent COVID-19 outbreak in China has resulted in significant governmental measures being implemented in China to control the spread of the virus, including, among others, restrictions on manufacturing and the movement of team members in many regions of the country. These measures in China have resulted in, and may result in further, disruptions to our supply chain, including the temporary closure of third-party manufacturer facilities, interruptions in labor and/or product supply, or restrictions on the export or shipment of our products. As a result, our third-party manufacturers may not have the materials, capacity, or capability to manufacture our products according to our schedule and specifications. If our third-party manufacturers' operations are curtailed, we may need to seek alternate manufacturing sources, which may be more expensive. Alternate sources may not be available or may result in delays in shipments to us from our supply chain and subsequently to our customers, each of which would affect

our results of operations. While the disruptions and restrictions on the ability to travel, quarantines, and temporary closures of the facilities of our third-party manufacturers and suppliers, as well as general limitations on movement in the region, are expected to be temporary, the duration of the production and supply chain disruption, and related financial impact, cannot be estimated at this time. Should the production and distribution closures continue for an extended period of time, the impact on our supply chain in China and globally could have a material adverse effect on our results of operations and cash flows.

The extent to which COVID-19 impacts our results, financial position and liquidity will depend on future developments, including new information which may emerge concerning the severity of the pandemic and any actions or inactions to contain COVID-19 or mitigate its impact, among others, which are highly uncertain and cannot be predicted. The extent of the impact of COVID-19 on our business and financial results will also depend on the duration and spread of the outbreak, including whether there is a "second wave" caused by additional periods of increases or spikes in the number of COVID-19 cases, further mutations or related strains of the virus (or even the threat or perception that this could occur), within the markets in which we operate and the related impact on consumer confidence and spending, labor supply or product supply, all of which are highly uncertain. Actions we have taken or may take, or decisions we have made or may make, as a consequence of the COVID-19 pandemic may result in the Company becoming a party to litigation claims and/or legal proceedings, including claims relating to our customers or team members getting ill after visiting or working in our stores and other facilities, which could consume significant financial and managerial resources, result in decreased demand for our products and injury to our reputation. We may also face further closure requirements and other operational restrictions with respect to some or all of our facilities for prolonged periods of time due to, among other factors, evolving and increasingly stringent governmental restrictions including public health directives, quarantine policies or social distancing measures. An extended period of ongoing disruption could materially affect our business, results of operations, access to sources of liquidity and financial condition.

Any failure to protect the integrity, security and use of sensitive or confidential data that we hold relating to us and our customers, team members and vendors, whether as a result of unauthorized disclosure, data loss or a breach of our information technology systems, could result in lost sales, fines and/or lawsuits, a loss of confidence in us, and harm to our reputation, business, results of operations and financial condition.

The secure processing, maintenance, transmission and storage of our customer, team member, vendor and company data is critical to us, and we devote significant resources to protecting this data. We collect and store sensitive and confidential data, including our intellectual property and proprietary business information and that of our vendors, and personally identifiable information of our customers and team members, in our data centers and on our networks. Additionally, the success of our retail stores and online operations depends upon the secure transmission of confidential information, including the use of cashless payments. Our customers provide personal, payment card and gift card information to purchase products or services, enroll in promotional programs, apply for credit, register and make purchases on our website, or otherwise communicate and interact with us. We may share information about such persons with vendors that assist with performing certain aspects of our business.

We and our vendors rely on commercially available information technology security measures, including systems, software, tools, plans and monitoring to provide security for processing, maintenance, transmission and storage of our customer, team member, vendor and company data. Despite the security measures we and our vendors have in place, our facilities and information technology systems, and those of our third-party service providers, may be vulnerable to, and unable to detect and appropriately respond to, security breaches, cyber-security attacks by computer hackers, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar disruptions. Any security breach could compromise our networks and the data and confidential personal or business information stored there could be accessed, publicly disclosed, misappropriated, destroyed, lost or stolen. In addition, data and security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breach by our team members or by persons with whom we have commercial relationships that result in the unauthorized release of confidential personal or business

information. Any such breach, access, misappropriation, loss or other unauthorized or inadvertent disclosure of confidential information, whether by us or our vendors, could attract a substantial amount of media attention, damage our relationships with our customers, team members and vendors and cause a loss of confidence in us, violate applicable privacy laws and obligations and expose us to costly government enforcement actions or private litigation and financial liability (possibly beyond the scope or limits of our insurance coverage), increase the costs we incur to protect against or remediate such breaches and comply with consumer protection and data privacy laws and obligations or disrupt our operations and distract our management and other key personnel from performing their primary operational duties, any of which could adversely affect our reputation, business, results of operations and financial condition.

Despite our security measures, it is possible that computer hackers or other parties might defeat these security measures and obtain sensitive or confidential data that we hold relating to us and our customers, team members and vendors. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognized until launched against a target, and we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Actual or anticipated attacks could require that we expend significant resources related to our information systems and infrastructure and could subject us to additional legal and financial risks, including increased investments in protection technologies, costs to deploy additional personnel, train team members and engage third-party experts and consultants, costs of compliance with privacy laws and obligations, expenses associated with providing our customers with credit protection and potential fees and penalties from our credit card processing partners, any of which could adversely affect our reputation, business, results of operations and financial condition.

A significant portion of the merchandise that we sell is manufactured in foreign countries, including China, which exposes us to various international risks that could have a material adverse effect on our business and results of operations.

A significant portion of the merchandise that we sell, including merchandise we purchase from domestic suppliers and much of our owned brand merchandise, is manufactured in countries such as China, Vietnam, El Salvador and Bangladesh. Foreign imports subject us to the risks of changes in import duties, quotas, loss of "most favored nation" status with the United States for a particular foreign country, delays in shipment, shipping port and ocean carrier constraints, supply and demand constraints, labor strikes, work stoppages or other disruptions, freight cost increases and economic uncertainties (including the United States imposing anti-dumping or countervailing duty orders, tariffs, safeguards, remedies or compensation and retaliation due to illegal foreign trade practices). To the extent that any foreign manufacturers from whom we purchase products directly or indirectly employ labor, environmental, corruption, workplace safety, or other business practices that vary from those commonly accepted in the United States, we could be hurt by any resulting negative publicity or, in some cases, potential claims of liability. Merchandise or raw materials purchased from alternative sources may be of lesser quality or more expensive than the merchandise or raw materials we currently purchase abroad. If any of these or other factors were to cause a disruption of trade from the countries in which our suppliers are located, our inventory levels may be reduced or the costs of our merchandise may increase.

The political, health, safety, security, and economic environments of the countries in which we or our vendors obtain merchandise or raw materials have the potential to materially affect our operations. In the event of disruptions or delays in supply due to economic, political, health, safety or security conditions in foreign countries or their relations with the United States, such disruptions or delays could adversely affect our results of operations unless and until alternative supply arrangements could be made. Also, the imposition of trade tariffs, sanctions or other regulations against merchandise imported by us, or the loss of "normal trade relations" status with the countries in which we or our vendors obtain merchandise or raw materials, could significantly increase our cost of products imported into the United States and harm our business. The prices charged for the merchandise that we purchase by foreign manufacturers may be affected by the fluctuation of their local currency against the U.S. dollar.

In addition, the federal government periodically considers other restrictions on the importation of products obtained by our vendors and us. If the United States were to withdraw from or materially modify any international trade agreements to which it is a party, or if tariffs were raised on the foreign-sourced goods that we sell, or if border taxes were implemented, then the goods we import may no longer be available at a commercially attractive price or at all, which in turn could have a material adverse effect on our business, financial condition and results of operations.

A significant amount of our merchandise is produced in China, and increases in the costs of labor and other costs of doing business in China could significantly increase our costs to produce our merchandise and could have a negative impact on our net sales, operating income and net income. Factors that could negatively affect our business include a potential significant revaluation of the Chinese Yuan, which may result in an increase in the cost of producing products in China, labor shortages and increases in labor costs in China, and difficulties in moving products manufactured in China through the ports on the western coast of North America, whether due to port congestion, labor disputes, product regulations and/or inspections or other factors, and natural disasters or health pandemics impacting China.

General trade tensions between the United States and China began escalating in 2018, with multiple rounds of U.S. tariffs on Chinese goods taking effect. Recently, the Trump administration imposed multiple rounds of tariffs on imports from China, where we and many of our vendors source commodities. As a result, we have experienced rising inventory costs on owned brand products we directly source from China, as well as national brand products from China that we source through our vendors. These higher inventory costs have resulted in higher prices and/or lower margins, thus resulting in a negative impact to sales and/or gross margin. Additionally, these tariffs have resulted in and could result in further retaliatory tariff actions by China and could ultimately result in further tariffs on merchandise that we, and many of our vendors, import from China. These tariffs could have an adverse or material adverse effect on our business, financial condition and results of operations. If any of these events continue as described, we may need to seek alternative suppliers or vendors, raise prices, or make changes to our operations, any of which could have a material adverse effect on our sales and profitability, results of operations and financial condition. On January 15, 2020, President Trump signed Phase I of a new trade agreement with China, signaling potential cooperation and resolution between the two countries in 2020 to the ongoing trade war. However, as of our report date, no significant modifications have been enacted relative to the escalated tariffs which impact our business.

We are subject to costs and risks associated with laws and regulations affecting our business, including those relating to the sale, manufacture and import of consumer products and other matters, and such laws may change or become more stringent.

We operate in a complex regulatory and legal environment that exposes us to regulatory, compliance and litigation risks that could materially affect our operations and financial results. We are subject to regulation by numerous federal, state and local regulatory agencies and authorities, including the U.S. Consumer Product Safety Commission, Equal Employment Opportunity Commission, Department of Labor, Occupational Safety and Health Administration, Department of Justice, Department of Treasury, Federal Trade Commission, Customs and Border Protection, Bureau of Alcohol, Tobacco, Firearms and Explosives, SEC, Internal Revenue Service, or IRS, and Environmental Protection Agency and comparable state and local agencies.

Laws and regulations affecting our business may change, sometimes frequently and significantly, as a result of political, economic, social or other events. Some of the federal, state or local laws and regulations that affect us include but are not limited to:

- consumer product safety, product liability or consumer protection laws;
- laws related to advertising, marketing, pricing and selling our products, including but not limited to firearms, ammunition, and related accessories;
- labor and employment laws, including wage and hour laws;

- tax laws or interpretations thereof, including collection of state sales tax on e-commerce sales;
- data protection and privacy laws and regulations;
- environmental laws and regulations;
- hazardous material laws and regulations;
- customs or import and export laws and regulations, including collection of tariffs on product imports;
- intellectual property laws;
- antitrust and competition regulations;
- banking and anti-money laundering regulations;
- Americans with Disabilities Act, or ADA, and similar state and local laws and regulations;
- website design and content regulations; and
- securities and exchange laws and regulations.

We sell firearms, ammunition, and related accessories. Firearms represented less than 6% of our net sales in 2019. Numerous federal, state and local laws and regulations govern the procurement, transportation, storage, distribution and sale and marketing of firearms, ammunition, and related accessories, including the regulations governing the performance of federally and state mandated procedures for determining customer firearm purchase eligibility (such as age and residency verification, background checks and proper completion of required paperwork). In the future, there may be increased federal, state or local regulation affecting the sale of firearms, ammunition, and related accessories, including taxation or restrictions on the type of firearms and ammunition available for retail sale, which could reduce our sales and profitability. A failure by us to follow these laws or regulations may subject us to claims, lawsuits, fines, penalties, adverse publicity and government action (up to and including the possible revocation of licenses and permits allowing the sale of firearms and ammunition), which could have a material adverse effect on our business and results of operations.

Another significant risk relating to our operations is compliance with the U.S. Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act, or UKBA, and other anti-corruption laws applicable to our international operations. In many foreign countries, particularly in those with developing economies, it may be a local custom that businesses operating in such countries engage in bribery and other business practices that are prohibited by the FCPA, the UKBA or other U.S. and foreign laws and regulations applicable to us.

We have internal policies, procedures and standards that we require all of our team members, agents and vendors to meet. Although we have implemented policies, procedures and standards of conduct designed to ensure compliance with the laws or regulations affecting our business, there can be no assurance that all of our team members, agents and vendors will comply with such laws, policies, procedures and standards of conduct. If we or one of our domestic or foreign agents or vendors fails to comply with a law or regulation, including any of the foregoing laws or regulations, or if we or one of our domestic or foreign agents or vendors fails to comply with our required policies, procedures or standards of conduct, then we may be forced to discontinue conducting business with the agent or vendor and we or they may be subject to claims, lawsuits, fines, penalties, loss of a license or permit and adverse publicity or other consequences that could have a material adverse effect on our business, results of operations and financial condition.

We are, and may in the future, be subject to claims, demands and lawsuits, and our insurance or indemnities may not be sufficient to cover damages related to those claims and lawsuits.

From time to time we may be involved in lawsuits, demands or other claims arising in the ordinary course of business. For example, we are, and may in the future, be subject to claims, demands and lawsuits, and we may suffer losses and adverse effects to our reputation, related to:

- injuries or crimes associated with merchandise we sell, that has been associated with an increased risk of injury, including but not limited to firearms, ammunition, firearm accessories, air pistols, crossbows

and other archery equipment, knives, deer stands and other hunting equipment, trampolines, wheeled goods such as bicycles and ride-on toys, certain merchandise qualifying as hazardous material and other products;

- product liability claims from customers or actions required or penalties assessed by government agencies relating to products we sell, including but not limited to products that are recalled, defective or otherwise alleged to be harmful;
- the design, purchase, manufacture, import, distribution and sale of our owned brand products;
- the procurement, transportation, storage, distribution and sale of firearms and ammunition, including improper performance of federally mandated procedures for determining customer firearm purchase eligibility (such as age and residency verification, background checks and proper completion of required paperwork);
- municipalities or other organizations attempting to recover costs from firearm manufacturers and retailers, relating to the use of firearms and ammunition;
- the operations of a fleet of trucks for distribution purposes, including transportation of hazardous materials by such fleet;
- the procurement and ownership, leasing or operation of property for retail stores, distribution centers and other corporate needs;
- the alleged infringement upon intellectual property rights to merchandise we sell or technology or services we use, including information technology, marketing and advertising services;
- global sourcing, including international, customs and trade issues;
- real estate issues, including construction, leasing, zoning and environmental issues;
- employment issues, including actions by team members, the Equal Employment Opportunity Commission, the Department of Labor, the Occupational Safety and Health Administration and other federal and state employment agencies;
- commercial disputes, including contractual and business disputes with vendors, landlords, or competitors;
- tort, personal injury and property damage claims related to our stores, e-commerce, distribution centers or corporate headquarters; and
- regulatory compliance, including relating to consumer protection, marketing and advertising, product safety, workplace safety, firearms, ammunition and related accessories, knives, import/export customs, taxes, tariffs, duties, and surcharges, data security and privacy, food and other regulated products, accounting, labor and employment, environmental matters, and hazardous materials.

We sell firearms, ammunition, and related accessories. These products are associated with an increased risk of injury and related lawsuits with respect to our compliance with Bureau of Alcohol, Tobacco, Firearms and Explosives and state laws and regulations. Any improper or illegal use by our customers of firearms, ammunition, or related accessories sold by us could have a negative impact on our reputation and business. We may be subjected to claims and lawsuits, including potential class actions, relating to our policies and practices on the sale of firearms, ammunition, or related accessories. We are, and may in the future also be, subjected to claims and lawsuits relating to the improper use of firearms, ammunition, or related accessories sold by us, including lawsuits by victims or municipalities or other organizations attempting to recover losses or costs from manufacturers and retailers of firearms, ammunition, and related accessories.

Due to the inherent uncertainties of claims and lawsuits, we cannot accurately predict the ultimate outcome of any such matters. These claims and lawsuits could cause us to incur significant expenses and devote

substantial resources to defend against them and, in some cases, we could incur significant losses in the form of settlements, judgments, fines, penalties, injunctions or other orders, as well as negative publicity, that could have a material adverse effect on our business, results of operations and financial condition. Even if a claim is unsuccessful or is not fully pursued, the negative publicity surrounding any such assertions could adversely affect our reputation.

To offset negative insurance market trends, we may elect to self-insure, accept higher insurance deductibles or reduce the amount of insurance coverage in response to market changes. Additionally, we self-insure a portion of expected losses under our workers' compensation, general liability, Academy, Ltd. Texas Work Injury Benefit Plan, and group health insurance programs. We use the services of independent actuaries for loss adjustment expense reserve analyses for the aforementioned lines of insurance. Liabilities associated with these lines of insurance are based on actual claim data and estimates of incurred but not reported claims, developed using actuarial methodologies, and may be based on historical claim trends, industry factors, claim development, as well as other actuarial assumptions. Unanticipated changes in any applicable actuarial assumptions and management estimates underlying our recorded liabilities for these losses, variability in inflation rates, changes in the nature and method of claims settlement, benefit level changes due to changes in applicable laws, insolvency of insurance carriers, and changes in discount rates could result in materially different expenses than expected under these programs, which could have a material adverse effect on our results of operations and financial condition.

We require many of our vendors to carry their own insurance, and we have indemnity agreements with many of our vendors, but we cannot be assured that (1) any specific claim or lawsuit will be subject to a vendor's insurance or indemnity agreement, (2) our vendors will meet their indemnity obligations or (3) we will be able to collect payments from our vendors sufficient to offset liability losses or, in the case of our owned brand products, where almost all of the manufacturing occurs outside the United States, that we will be able to collect anything at all. Due to the inherent uncertainties of litigation and other claims, we cannot accurately predict the ultimate outcome of any such matters.

Any insurance we carry, including the aforementioned insurance coverage, reflects deductibles, self-insured retentions, limits of liability and similar provisions that we believe are prudent based on our operations. With all claims and lawsuits, however, there is a risk that liabilities, fines and losses may not be covered by insurance or may exceed insurance coverage. We also may be unable to procure insurance in the future at the coverage levels, terms or rates available to us today, and we cannot be guaranteed that our insurance at the time will be adequate for any particular claim or lawsuit.

Harm to our reputation could adversely impact our ability to attract and retain customers, team members, vendors and/or other partners.

Negative publicity or perceptions involving us or our brands, products, team members, operations, vendors, spokespersons, or marketing and other partners may negatively impact our reputation and adversely impact our ability to attract and retain customers, team members, vendors and/or other partners. Failure to detect, prevent or mitigate issues that might give rise to reputational risk or failure to adequately address negative publicity or perceptions could adversely impact our reputation, business, results of operations, and financial condition. Issues that might pose a reputational risk include failure of our cybersecurity measures to protect against data breaches, product liability and product recalls, our social media activity, failure to comply with applicable laws and regulations, our policies related to the sale of firearms, ammunition and accessories, public stances on controversial social or political issues, and any of the other risks enumerated in these risk factors. As part of our marketing efforts, we rely on social media platforms and other digital marketing to attract and retain customers. A variety of risks are associated with our social media activity and digital marketing, including the improper disclosure of proprietary information, negative comments about or negative incidents regarding us, exposure of personally identifiable information, fraud or out-of-date information. The inappropriate use of social media and digital marketing vehicles by us, our customers, team members or others could increase our costs, lead to

litigation or result in negative publicity that could damage our reputation. Many social media platforms immediately publish the content, videos and/or photographs created or uploaded by their subscribers and participants, often without filters or checks on accuracy of the content posted. Information posted on such platforms at any time may be adverse to our interests and/or may be inaccurate. The dissemination of negative information related to us or our brands, products, team members, operations, vendors, spokespersons or partners could harm our business, results of operations and financial condition, regardless of the information's accuracy, and the harm may be immediate without affording us an opportunity for redress or correction. Furthermore, the prevalence of news coverage, the internet, and social media may accelerate and increase the potential scope of any negative publicity we might receive and could increase the negative impact of these issues on our reputation, business, results of operations, and financial condition.

Problems with operating, updating or implementing our information technology systems could disrupt our operations and negatively impact our business operations and materially and adversely affect our financial results.

The efficient operation of our business is dependent on the successful integration and operation of our information technology systems. For examples, we rely on our information technology systems to effectively manage our merchandise planning and replenishment, warehousing and distribution, store operations, e-commerce, and customer transactions, optimize our overall inventory levels, process financial information and sales transactions, prevent data breaches and credit card fraud, communications, support services, and comply with legal and regulatory obligations.

Our information technology systems, if not functioning properly, could disrupt our ability to track, record, and analyze sales and inventory and could cause disruptions of operations, including, among other things, our ability to order, process and ship inventory, process financial information including credit card transactions, prevent data breaches and credit card fraud, process payrolls or vendor payments or engage in other similar normal business activities. Our information systems, including our back-up systems, are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security breaches (through cyber-attacks from cyber-attackers or sophisticated organizations), catastrophic events such as fires, floods, tornadoes, earthquakes and hurricanes, and usage errors by our associates. Although we attempt to mitigate the risk of possible business interruptions by employing customary strategies, any material disruption, malfunction or any other similar problem in or with our information technology systems could negatively impact our business operations and materially and adversely affect our financial results.

From time to time, our computer and information technology systems may require upgrade, enhancement, integration and/or replacement for us to maintain successful current operations and achieve future sales and store growth.

Updating our existing information technology systems subjects us to numerous risks, including:

- loss of information;
- disruption of normal operations;
- changes in accounting or other operating procedures;
- changes in internal control over financial reporting or general computer controls;
- problems maintaining accuracy of historical data;
- allocation and dedication of key business resources to the updating of existing systems;
- ability to attract and retain adequate experienced technical resources and third-party contractors for the updating of existing systems;

- unknown impact on remaining systems;
- adequacy of training and change management to address critical changes in business processes and job functions; and
- updated information technology system ultimately does not meet the needs of the business.

Any failure to successfully update our information technology systems, and any missteps, delays, cost overruns, vendor disputes, technical challenges or other similar issues that may arise during the updating of our information technology systems, could have a material impact on our business, financial condition, results of operations, internal controls over financial reporting and ability to manage our business effectively.

From time to time, we may undertake initiatives involving numerous information technology systems, including our merchandise management, warehouse management, point of sale, e-commerce, data security, and credit card fraud detection systems. While each of these information technology systems initiatives is intended to further improve and enhance our information technology systems, our failure to timely, properly or adequately implement these systems initiatives could result in increased costs or risks, the diversion of our management's and team members' attention and resources and could materially adversely affect our results of operations, our internal controls over financial reporting or general computer controls, our ability to manage our business effectively and possible disruption of our business operations or financial reporting.

We depend on approximately 1,300 suppliers to supply us with the merchandise we purchase for resale and our significant dependence on these suppliers exposes us to risks associated with disruption in supply and losses of merchandise purchasing incentives that could have a material adverse effect on our business and results of operations.

We depend on approximately 1,300 suppliers to supply us in a timely and efficient manner with the merchandise we purchase for resale. Our significant dependence on these suppliers exposes us to various risks that could have a material adverse effect on our business and results of operations. In 2019, purchases from our largest vendor represented approximately 14% of our total inventory purchases. The merchandise we sell is sourced from a wide variety of domestic and international suppliers and our ability to find qualified suppliers and access merchandise in a timely and efficient manner is often challenging, particularly with respect to merchandise sourced outside the United States. We generally do not have long-term written contracts with our suppliers that would require them to continue supplying us with merchandise, particular payment terms or the extension of credit. As a result, these suppliers could modify the terms of these relationships due to general economic conditions or otherwise. If there is a disruption in supply from a principal supplier (which can occur for various reasons in or out of the control of these suppliers, including the measures taken by the Chinese government in response to the recent COVID-19 coronavirus outbreak), we may experience merchandise out-of-stocks, delivery delays or increased delivery costs, or otherwise be unable to obtain the same merchandise from other suppliers in a timely and efficient manner and on acceptable terms, or at all, which could have a material affect our results of operations and our customers' confidence in us. Changes in our relationships with our suppliers (which can occur for various reasons in or out of our control) also have the potential to increase our expenses and adversely affect our results of operations. The formation and/or strengthening of business partnerships between our suppliers and our competitors could directly alter the available supply of merchandise we desire to sell, which could have a material adverse effect on the level of customers purchasing merchandise from us and, thus, our results of operations. Moreover, many of our suppliers provide us with merchandise purchasing incentives, such as return privileges, volume purchasing allowances and cooperative advertising, and a decline or discontinuation of these incentives could severely impact our results of operations.

A failure of our third-party vendors of outsourced business services and solutions to meet our performance standards and expectations could adversely affect our operations.

We outsource certain business services and solutions, and rely on the third-party vendors of these business services and solutions, to support a variety of our business functions, including portions of our information

technology and management information systems, data security and credit card fraud detection, supply chain (including product manufacturers, logistics service providers or independent distributors), retail operations, administrative services and other core business functions. If we fail to properly manage these vendors or if they fail to meet, or are prevented from meeting, our performance standards and expectations, then our reputation, sales, and results of operations could be adversely affected. In addition, we could face increased costs associated with finding replacement service vendors or hiring new team members to provide these business services and solutions in-house.

We may not be able to continue our store growth plans successfully or continue to manage our growth effectively, and our new stores may not generate sales levels necessary to achieve store-level sales or profitability comparable to that of our existing stores, which could materially and adversely affect our business, financial condition and results of operations.

Our strategy includes opening stores in existing markets and, from time to time, new markets. We must successfully choose our store sites, execute favorable real estate transactions on terms that are acceptable to us, construct and equip the stores with furnishings and appropriate merchandise, hire and train competent personnel and effectively open and operate these new stores and integrate the stores into our operations, and we may need to expand our distribution infrastructure, including the addition of new distribution centers. Our plans to increase our number of retail stores will depend in part on the availability of existing retail stores or store sites. A lack of available financing on terms acceptable to real estate developers or a tightening credit market may adversely affect the retail sites available to us. We cannot expect that stores or sites will be available to us, or that they will be available on terms acceptable to us. If additional retail store sites are unavailable on acceptable terms, we may not be able to carry out a significant part of our growth strategy. Rising real estate costs and acquisition, construction and development costs, available credit to landlords and developers and landlord bankruptcies could also inhibit our ability to grow. If we fail to locate desirable sites, obtain lease rights to these sites on terms acceptable to us, hire adequate personnel and open and effectively operate these new stores, our financial performance could be adversely affected.

We lease our stores under operating leases with terms of 15 to 20 years, and we generally cannot cancel these leases at our option. If a store is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. Similarly, we may be committed to perform our obligations under the applicable leases even if current locations of our stores become unattractive as demographic patterns change. In addition, as each of our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could require us to close stores in desirable locations.

In addition, our expansion in new and existing markets may present competitive, merchandising, marketing, human resources, distribution and regulatory challenges that differ from our current challenges, including competition among our stores, diminished novelty of our store design and concept, added strain on our distribution centers, maintaining our levels of customer service, training our store team members, additional information to be processed by our management information systems and diversion of our management's attention from operations, such as the control of inventory levels in our stores. New stores in new markets, where we are less familiar with the target customer and less well-known by the target customer, may face different or additional risks and increased costs compared to stores operated in existing markets or new stores in existing markets. Expansion into new markets could also bring us into direct competition with retailers with whom we have no past experience as direct competitors. To the extent that we become increasingly reliant on entry into new markets to grow, we may face additional risks and our results of operations could suffer. To the extent that we are not able to meet new challenges, our sales could decrease and our operating costs could increase.

There also can be no assurance that we will be able to continue our expansion plans successfully or continue to manage our growth effectively, or that our new stores will generate sales levels necessary to achieve store-level profitability or profitability comparable to that of our existing stores. Our continued growth also depends, in

large part, upon our ability to open new stores in a timely manner and to operate them profitably. A slower than expected pace of new store openings may negatively impact our net sales growth and operating income. New stores also may face greater competition and have lower anticipated sales volumes relative to previously opened stores during their comparable years of operation. We may not be able to advertise cost-effectively in new or large markets in which we have less store density, which could slow sales growth at such stores. We also cannot guarantee that we will be able to obtain and distribute adequate product supplies to our new stores or maintain adequate warehousing and distribution capability to support our new stores at acceptable costs. Thus, our failure to achieve our expansion plans could materially and adversely affect our business, financial condition and results of operations.

Our e-commerce activities expose us to various risks that could have a material adverse impact on our overall results of operations.

Our customers are increasingly using computers, tablets, mobile phones and other devices to shop in our stores and on-line for our products. Our business has become increasingly omnichannel as we strive to deliver a seamless shopping experience to our customers through both online and in-store shopping experiences. We utilize our own e-commerce platform that allows us to control our customer experience without relying on a single third-party provider. Maintaining and continuing to improve our e-commerce platform involves substantial investment of capital and resources, integrating a number of information and management systems from different vendors, increasing supply chain and distribution capabilities, attracting, developing and retaining qualified personnel with relevant subject matter expertise, and effectively managing and improving the customer experience. Our e-commerce operations are subject to numerous risks that could have a material adverse impact on our overall results of operations, including:

- expansion of our sales across the United States, thereby, subjecting us to the regulatory and other requirements of the 50 states;
- website operating issues, including website availability, system reliability, website operation, Internet connectivity, website errors, computer viruses, telecommunication failures, electronic break-ins or similar disruptions;
- the need to keep pace with rapid technological change and maintain investments necessary for our e-commerce operation;
- legal compliance issues related to the online sale of merchandise;
- intellectual property litigation related to the enforcement of patent rights;
- privacy and personal data security;
- protection against credit card and gift card fraud;
- fulfillment, inventory control and shipping issues for e-commerce transactions;
- tax issues, including state sales tax collection for e-commerce transactions;
- hiring, retention and training of personnel qualified to conduct our e-commerce operation;
- ability to procure adequate computer hardware and software and technology services and solutions from third-party providers; and
- reduction in visits to, diversion and/or cannibalization of sales from, existing retail stores.

Our e-commerce activities also carry challenges such as identifying our e-commerce customer, marketing our website, establishing a profitable on-line merchandising mix, managing shipping costs to our customers, setting prices to compete against other on-line retailers, maintaining website content, timely and accurately fulfilling orders, integrating our e-commerce business with our store operations, and growing the operation as part of our overall strategic plan. If we do not successfully manage the risks and navigate the challenges associated with our e-commerce activities, it could have a material adverse effect on our results of operations.

Further, governmental regulation of e-commerce continues to evolve in such areas as marketing and advertising, taxation, privacy, data protection and privacy, pricing, content, copyrights, distribution, mobile communications, electronic contracts and other communications, consumer protection, the provision of online payment services, the design and operation of websites and the characteristics and quality of products and services. Unfavorable changes to regulations in these areas could have a material adverse impact on our e-commerce activities.

Our owned brand merchandise exposes us to various risks generally encountered by companies that source, manufacture, market and retail exclusive owned brand merchandise.

In addition to national brand merchandise, we offer customers owned brand merchandise that is not available in other stores. The sale of owned brand merchandise subjects us to certain risks, including:

- our ability to successfully and profitably conduct sourcing and manufacturing activities internally or with third-party agents, manufacturers and distributors;
- our failure or our manufacturers' failure to comply with federal, state and local regulatory requirements, including product safety, working age and conditions, anti-corruption, import and customs and retail sale restrictions;
- potential mandatory or voluntary product recalls;
- claims and lawsuits resulting from injuries associated with the use of our owned brand merchandise;
- our ability to successfully protect our intellectual property or other proprietary rights (e.g., defending against counterfeit, knock-offs, grey-market, infringing or otherwise unauthorized goods);
- our ability to successfully navigate and avoid claims related to the intellectual property or other proprietary rights of third parties;
- our ability to successfully administer and comply with the obligations under license agreements that we have with the licensors of brands, including in some instances certain sales minimums that if not met could cause us to lose the licensing rights or pay damages;
- sourcing and manufacturing outside the United States, including foreign laws and regulations, political unrest, disruptions or delays in cross-border shipments, changes in economic conditions in foreign countries, exchange rate and import duty fluctuations and conducting activities with third-party manufacturers; and
- increases in the price of raw materials used in the manufacturing of our owned brand merchandise and other risks generally encountered by entities that source, manufacture, market and retail owned brand merchandise.

Our failure to adequately address some or all of these risks could have a material adverse effect on our business, results of operations and financial condition.

A disruption in the operation of our distribution centers would affect our ability to deliver merchandise to either our stores or customers, which could adversely impact our revenues and harm our business and financial results.

We operate three distribution centers located in Katy, Texas, Twiggs County, Georgia, and Cookeville, Tennessee. We receive and ship substantially all of our merchandise through our distribution centers. Any natural or man-made disaster in the areas or regions of these facilities (for example, hurricanes, tornadoes, floods, explosions, or fires) could damage a portion of our inventory and any serious disruption to these facilities or their staffs (including due to any widespread health emergencies) could impair our ability to adequately stock our stores, process returns of products to vendors and ship product to our e-commerce customers, thereby adversely

affecting our sales and profitability. In addition, we could incur significantly higher costs and longer lead times associated with distributing our products to our stores and customers during the time it takes for us to reopen or replace these distribution centers.

Our quarterly operating results and comparable sales may fluctuate due to seasonality and other factors outside of our control.

We have historically experienced and expect to continue to experience seasonal fluctuations in our net sales, operating income and net income. A significant portion of our net sales and profits is driven by summer holidays, such as Memorial Day, Father's Day and Independence Day, during the second quarter. Our net sales and profits are also impacted by the November/December holiday selling season, and in part by the sales of cold weather sporting goods and apparel during the fourth quarter. If we miscalculate the demand for our products generally or for our product mix during certain holiday or sporting seasons, our net sales could decline resulting in lower margins, higher labor costs as a percentage of sales and excess inventory, which would harm our financial performance.

Our quarterly results of operations and comparable sales have historically fluctuated, and may continue to fluctuate, as a result of factors outside our control, including:

- general regional and national economic conditions;
- consumer confidence in the economy;
- unseasonal or extreme weather conditions, natural or man-made disasters (such as snow storms, hurricanes, tornadoes, and floods);
- catastrophic or tragic events (such as tragedies involving firearms or public health pandemics) in or affecting our markets;
- changes in demand for the products that we offer in our stores;
- lack of new product introduction;
- lockouts or strikes involving professional sports teams;
- retirement of sports superstars used in marketing various products;
- sports scandals, including those involving leagues, associations, teams or athletes with ties to us or our markets;
- costs related to the closure of existing stores;
- litigation;
- the success or failure of college and professional sports teams in our markets;
- expansion of existing or entry of new competitors into our markets;
- consolidation of competitors in our markets;
- shift in consumer tastes and fashion trends;
- calendar shifts or holiday or seasonal periods;
- the timing of income tax refunds to customers;
- changes in laws and regulations, politics or consumer advocacy affecting our business, including sentiment relating to the sale of firearms and ammunition;
- cancellations of tax-free holidays in certain states;
- pricing, promotions or other actions taken by us or our existing or possible new competitors; and

- changes in other tenants or landlords or surrounding geographic circumstances in the shopping centers in which we are located.

Our quarterly operating results and comparable sales may also be affected by the timing of new store openings and the relative proportion of new stores to mature stores, the level of pre-opening expenses associated with new stores and the amount and timing of net sales contributed by new stores. Furthermore, our operating margins may be impacted in periods in which incremental expenses are incurred as a result of upcoming new store openings.

The occurrence of severe weather events, catastrophic health events, natural or man-made disasters, social and political conditions or civil unrest could significantly damage or destroy our retail locations, could prohibit consumers from traveling to our retail locations or could prevent us from resupplying or staffing our stores or distribution centers or fulfilling out e-commerce orders, especially during peak shopping seasons.

Unforeseen events, including public health issues such as contagious viruses, natural disasters such as earthquakes, hurricanes, tornadoes, snow or ice storms, floods and heavy rains, and man-made disasters such as an oil spill closing large areas of hunting or fishing, could disrupt our operations or the operations of our suppliers, as well as the behavior of our consumers. For example, frequent or unusually heavy snowfall, ice storms, rainstorms or other extreme weather conditions over a prolonged period could make it difficult for our customers to travel to our stores and thereby reduce our sales and profitability. In addition, extreme weather conditions could result in disruption or delay of production and delivery of materials and products in our supply chain and cause staffing shortages in our stores. Socio-political factors, such as civil unrest or other economic or political uncertainties that contribute to consumer unease or harm to our store base, may also result in decreased discretionary spending, property damage and/or business interruption losses. For example, we may face losses related to the civil unrest in the United States that began in late May 2020 in response to reported incidents of police violence. To the extent these events result in the closure of one or more of our distribution centers, a significant number of stores, or our corporate headquarters or impact one or more of our key suppliers, our operations and financial performance could be materially adversely affected through an inability to support our business, resupply or staff our stores, distribution centers or corporate headquarters or fulfill our e-commerce orders, especially during peak shopping seasons, and through lost sales. We believe that we take reasonable precautions to prepare particularly for unforeseen catastrophic or weather-related events; however, our precautions may not be adequate to deal with such events in the future. As these events occur in the future, if they should impact areas in which we have our corporate headquarters, a distribution centers or a concentration of retail stores or vendor sources, such events could have a material adverse effect on our business, financial condition and results of operations.

Our failure to protect our intellectual property or avoid the infringement of third-party intellectual property rights could be costly and have a negative impact on our results of operations.

Our trademarks, service marks, copyrights, patents, processes, trade secrets, domain names and other intellectual property, including our Academy Sports + Outdoors brand, our owned brands, such as Academy Sports + Outdoors, Magellan Outdoors, BCG, O'rageous and Outdoor Gourmet, and our goodwill, designs, names, slogans, images and trade dress associated with these brands, are valuable assets that are critical to our success. The unauthorized use or other misappropriation of our intellectual property could diminish the value of our brands or goodwill and cause a decline in our sales. In addition, any infringement or other intellectual property claim made by or against us, whether or not it has merit, could be time-consuming, result in costly litigation, cause product delays, cause us to discontinue affected products, distract key resources from our core business or require us to enter into royalty or licensing agreements. As a result, any such claim made by or against us or our failure to protect our intellectual property could have an adverse effect on our results of operations.

Our business is significantly dependent on our ability to meet our labor needs.

The success of our business depends significantly on our ability to hire and retain quality team members, including store managers, *Enthusiasts* and other store team members, distribution center team members, and corporate directors, managers and other personnel. We plan to expand our team member base to manage our anticipated growth. Competition for non-entry-level personnel, particularly for team members with retail experience, is highly competitive. Additionally, our ability to maintain consistency in the quality of customer service in our stores is critical to our success. Many of our store team members are in entry-level or part-time positions that historically have high rates of turnover. We are also dependent on the team members who staff our distribution centers, many of whom are skilled. We may be unable to meet our labor needs and control our costs due to external factors such as the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels, demand for certain labor expertise, prevailing wage rates, wage inflation, changing demographics, health and other insurance costs, adoption of new or revised employment and labor laws and regulations, and the impacts of man-made or natural disasters, such as tornadoes, hurricanes, and the COVID-19 pandemic. Recently, various legislative movements have sought to increase the federal minimum wage in the United States, as well as the minimum wage in a number of individual states. As federal or state minimum wage rates increase, we may need to increase not only the wage rates of our minimum wage team members, but also the wages paid to our other hourly team members as well. Further, should we fail to increase our wages competitively in response to increasing wage rates, the quality of our workforce could decline, causing our customer service to suffer. Additionally, the U.S. Department of Labor has proposed rules that may have salary and wage impact for "exempt" team members, which could result in a substantial increase in store payroll expense. Any increase in the cost of our labor could have an adverse effect on our operating costs, financial condition and results of operations. If we are unable to hire and retain store-level team members capable of providing a high level of customer service, skilled distribution center team members or other qualified personnel, our business could be materially adversely affected.

Although none of our team members are currently covered under collective bargaining agreements, we cannot guarantee that our team members will not elect to be represented by labor unions in the future. If some or our entire workforce were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements or work practice, it could have a material adverse effect on our business, financial condition and results of operations.

Our stores are located primarily in the southern United States which could subject us to regional risks.

Because our stores are located primarily in the southern United States, we are subject to regional risks, such as the regional economy, weather conditions and natural disasters such as floods, droughts, tornadoes and hurricanes. Man-made disasters, such as an oil spill in the Gulf of Mexico, a nuclear power plant crisis or other events, may also impact our regional area. We sell a significant amount of merchandise related to outdoor activities which can be adversely affected by such events that may postpone the start of or shorten sports seasons or inhibit participation in other outdoor activities or otherwise have a significant impact on our operations. Several of our competitors operate stores across the United States and thus are not as vulnerable to the risks of operating in one region. If a region of our stores' footprint suffers an economic downturn or any other adverse regional event, there could be an adverse impact on our net sales and results of operations and our ability to implement our planned expansion program.

Fluctuations in merchandise costs and availability due to fuel price uncertainty, demand changes, increases in commodity prices, labor shortages and other factors could negatively impact our consolidated and combined results of operations.

The cost of our merchandise is affected, in part, by the price of raw materials. A substantial rise in the price of raw materials could dramatically increase the costs associated with manufacturing the merchandise that we purchase from our suppliers, which could cause the price of our merchandise to increase and could have a

negative impact on our sales and profitability. In addition, increases in commodity prices could also adversely affect our results of operations. If we increase the price for our products in order to maintain gross margins for our products, such increase may adversely affect demand for, and sales of, our products, which could have a material adverse effect on our financial condition and results of operations.

We rely upon various means of transportation, including ships and trucks, to deliver products from vendors to our distribution centers and from our distribution centers to our stores. Consequently, our results can vary depending upon numerous factors affecting transportation, including the price of fuel and the availability of trucks and ships. The price of fuel and demand for transportation services has fluctuated significantly over the last few years, and has resulted in increased costs for us and our vendors. In addition, changes in regulations may result in higher fuel costs through taxation, transportation restrictions or other means. Fluctuations in transportation costs and availability could adversely affect our results of operations.

Labor shortages in the transportation industry could negatively affect transportation costs and our ability to supply our stores in a timely manner. In particular, our business is highly dependent on the shipping and trucking industry to deliver products to our distribution centers and our stores. Our results of operations may be adversely affected if we, or our vendors, are unable to secure adequate transportation resources at competitive prices to fulfill our delivery schedules to our distribution centers or our stores.

Difficulties in moving products manufactured overseas and through the ports of North America, whether due to port congestion, government shutdowns, labor disputes, product regulations and/or inspections or other factors, including natural disasters or health pandemics, could negatively affect our business.

If we are unable to manage the growth of our business, our revenues may not increase as anticipated, our cost of operations may rise and our results of operations may decline.

As our business grows, we will face many risks associated with growing companies, including the risk that our management, financial controls, staff levels, and information systems will be inadequate to support our expansion in the future. Our growth will require our management to expend significant time and effort and additional resources to ensure the continuing adequacy of our associate staff levels, financial controls, operating procedures, information systems, product purchasing, warehousing and distribution systems and team member training programs. We cannot predict whether we will be able to effectively manage these increased demands or respond on a timely basis to the changing demands that our expansion will impose on our management, financial controls and information systems. If we fail to manage successfully the challenges of growth, do not continue to improve these systems and controls or encounter unexpected difficulties during expansion, our business, financial condition, results of operations or cash flows could be materially adversely affected.

The loss of our key executives could have a material adverse effect on our business.

Our future success depends on the continued services of our senior executive management. Any loss or interruptions of the services of our senior executive management could significantly reduce our ability to effectively manage our operations and implement our key initiatives because we may not be able to timely recruit appropriate replacements for our senior executive management should the need arise. If we were to lose any key senior executive management, our business could be materially adversely affected.

We may pursue strategic acquisitions, which could have an adverse impact on our business, as could assimilation of companies following acquisition.

Although we have never done so in the past, we may from time to time acquire companies or businesses in the future. Acquisitions may result in difficulties in assimilating acquired companies, and may result in the diversion of our capital and our management's attention from other business issues and opportunities. We may not be able to successfully integrate companies or businesses that we acquire, including their personnel, financial

systems, distribution, operations and general store opening procedures. If we fail to successfully integrate acquisitions, our business could suffer. In addition, the integration of any acquired business and their financial results may adversely affect our results of operations.

We are subject to payment-related risks.

For our sales to our customers, we accept a variety of payment methods, including credit cards, debit cards, electronic funds transfers and electronic payment systems. Accordingly, we are, and will continue to be, subject to significant and evolving regulations and compliance requirements, including obligations to implement enhanced authentication processes that could result in increased costs and liability, and reduce the ease of use of certain payment methods. For certain payment methods, including credit and debit cards, as well as electronic payment systems, we pay interchange and other fees, which may increase over time. We rely on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to us or if the cost of using these providers increases, our business could be harmed. We are also subject to payment card association operating rules and agreements, including data security rules and agreements, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for losses incurred by card issuing banks or customers, subject to fines and higher transaction fees, lose our ability to accept credit or debit card payments from our customers, or process electronic fund transfers or facilitate other types of payments. Any failure to comply could harm our brand, reputation, business and results of operations.

Our success depends on the effectiveness of our marketing and advertising programs.

Brand marketing and advertising significantly affect sales at our locations, as well as e-commerce sales. Our marketing and advertising programs may not be successful, which may prevent us from attracting new customers and retaining existing customers. If sales decline, we will have fewer funds available for marketing and advertising, which could materially and adversely affect our revenues, business and results of operations. As part of our marketing efforts, we rely on print, television and radio advertisements, as well as search engine marketing, web advertisements, social media platforms and other digital marketing to attract and retain customers. These efforts may not be successful, resulting in expenses incurred without the benefit of higher revenues or increased customer or team member engagement. Customers are increasingly using internet sites and social media to inform their purchasing decisions and to compare prices, product assortment, and feedback from other customers about quality, responsiveness and customer service before purchasing our services and products. If we are unable to continue to develop successful marketing and advertising strategies, especially for online and social media platforms, or if our competitors develop more effective strategies, we could lose customers and sales could decline.

Risks Related to Our Indebtedness

Our high level of indebtedness requires that we dedicate a substantial portion of our cash flows to debt service payments and reduces the funds that would otherwise be available for other general corporate purposes and other business opportunities, which could adversely affect our operating performance, growth, profitability and financial condition, which in turn could make it more difficult for us to generate cash flow sufficient to satisfy all of our obligations under our indebtedness.

As of August 1, 2020, we had approximately $1.4 billion outstanding under the Term Loan Facility. As of August 1, 2020, we had no borrowings outstanding under the ABL Facility, an available borrowing capacity under the ABL Facility of approximately $694.1 million (which is subject to customary borrowing conditions, including a borrowing base), and outstanding letters of credit of $29.7 million, $19.9 million of which were issued under the ABL Facility.

Our overall level of indebtedness requires that we dedicate a substantial portion of our cash flows to debt service payments. The Term Loan Facility requires quarterly principal and cash interest payments through June 30, 2022. The ABL Facility matures on May 22, 2023, subject to a springing maturity clause which is triggered 91 days before the July 2, 2022 maturity of the Term Loan Facility should it not be paid off or extended at least 91 days beyond the May 22, 2023 maturity date of the ABL Facility.

Our substantial indebtedness reduces the funds that would otherwise be available for operations, future business opportunities and payments of our debt obligations and limits our ability to:

- obtain additional financing, if necessary, for working capital and operations, or such financing may not be available on favorable terms;
- make needed capital expenditures;
- make strategic acquisitions or investments or enter into joint ventures;
- react to changes or withstand a future downturn in our business, the industry or the economy in general;
- meet store growth, distribution center expansion, e-commerce growth, budget targets and forecasts of future results;
- engage in business activities, including future opportunities that may be in our interest; and
- react to competitive pressures or compete with competitors with less debt.

These limitations could adversely affect our operating performance, growth, profitability and financial condition, which would make it more difficult for us to generate cash flow sufficient to satisfy our obligations under our indebtedness.

Our ability to make scheduled payments on our debt obligations also depends on our financial condition, results of operations and capital resources, which are subject to, among other things: the business, financial, economic, industry, competitive, regulatory and other factors discussed in these risk factors, and on other factors, some of which are beyond our control, including: the level of capital expenditures we make, including those for acquisitions, if any; our debt service requirements; fluctuations in our working capital needs; our ability to borrow funds and access capital markets; and restrictions on debt service payments and our ability to make working capital borrowings for debt service payments contained in our debt instruments.

If we are unable to generate sufficient cash flow to permit us to make scheduled service payments on our debt, then we will be in default and holders of that debt could declare all outstanding principal and interest to be due and payable. If our existing indebtedness were to be accelerated, there can be no assurance that we would have, or be able to obtain, sufficient funds to repay such indebtedness in full. In addition, in the event of a default, the lenders under the ABL Facility could terminate their further commitments to loan money and our secured lenders under the Term Loan Facility and the ABL Facility could foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation.

Despite our high level of indebtedness, we may still be able to incur substantially more debt, which could further increase the risks to our financial condition described above.

Despite our high level of indebtedness, we may be able to incur significant additional indebtedness in the future, including off-balance sheet financings, trade credit, contractual obligations and general and commercial liabilities. Although the credit agreements governing the Term Loan Facility and the ABL Facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute

indebtedness, and additionally we have further borrowing capacity under the ABL Facility. As of August 1, 2020, we had no borrowings outstanding under the ABL Facility, and an available borrowing capacity under the ABL Facility of approximately $694.1 million (which is subject to customary borrowing conditions, including a borrowing base). We may be able to increase the commitments under the ABL Facility by $250.0 million, subject to certain conditions. We may also be able to increase the capacity under the Term Loan Facility by up to $200.0 million plus an additional amount, subject to certain conditions, which borrowings would be secured indebtedness. The addition of new debt to our current debt levels could further exacerbate the related risks to our financial condition that we now face.

If we are unable to generate sufficient cash to service all of our indebtedness, we may be forced to take other actions to fund the satisfaction of our obligations under our indebtedness, which may not be successful.

If our cash flow is insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, raise additional debt or equity capital or restructure or refinance our indebtedness. However, we may not be able to implement any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Even if new financing were available, it may be on terms that are less attractive to us than our then existing indebtedness or it may not be on terms that are acceptable to us. In addition, the credit agreements governing the Term Loan Facility and the ABL Facility restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. Thus, we may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

If we cannot generate sufficient cash flow to permit us to make scheduled payments on our debt, then we will be in default and holders of that debt could declare all outstanding principal and interest to be due and payable. If our existing indebtedness were to be accelerated, there can be no assurance that we would have, or be able to obtain, sufficient funds to repay such indebtedness in full. In addition, in the event of a default, the lenders under the ABL Facility could terminate their further commitments to loan money and our secured lenders under the Term Loan Facility and the ABL Facility could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation.

The terms of our outstanding indebtedness may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The credit agreements governing the Term Loan Facility and the ABL Facility contain restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our best interest, including restrictions on our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;
- prepay, redeem or repurchase certain debt;
- make loans, investments and other restricted payments;
- sell or otherwise dispose of assets;
- incur liens;
- enter into transactions with affiliates;
- alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

Additionally, at certain times, the ABL Facility requires maintenance of a certain minimum adjusted fixed charge coverage ratio. Our ability to comply with the covenants and restrictions contained in our credit agreements may be affected by events beyond our control. If market or other economic conditions deteriorate, our ability to comply with these covenants and restrictions may be impaired.

A breach of the covenants under one of these agreements could result in an event of default under the applicable indebtedness, which, if not cured or waived, could have a material adverse effect on our business, results of operations and financial condition. Such a default, if not cured or waived, may allow the creditors to accelerate the related debt principal and/or related interest payments and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. If our existing indebtedness were to be accelerated, there can be no assurance that we would have, or be able to obtain, sufficient funds to repay such indebtedness in full. In addition, an event of default under the credit agreements governing our Term Loan Facility and ABL Facility would permit the lenders under our ABL Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Term Loan Facility and ABL Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness, and we could be forced into bankruptcy or liquidation.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Term Loan Facility and ABL Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, and our net income and operating cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We use interest rate swap agreements to hedge market risks relating to possible adverse changes in interest rates with the intent of reducing volatility in our cash flows due to fluctuations in interest rates. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk, may prove disadvantageous, or may create additional risks. In addition, our hedging activities are subject to the risks that a counterparty may not perform its obligations under the applicable derivative instrument.

LIBOR and other interest rates that are indices deemed to be “benchmarks” are the subject of recent and ongoing national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective, while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences that cannot be predicted. Any such consequence could have a material adverse effect on our existing facilities, our interest rate swap agreement or our future debt linked to such a “benchmark” and our ability to service debt that bears interest at floating rates of interest.

If the financial institutions that are lenders under the ABL Facility fail to extend credit under the facility or reduce the borrowing base, our liquidity and results of operations may be adversely affected.

One of our sources of liquidity is the ABL Facility. Each financial institution that is a lender under the ABL Facility is responsible on a several but not joint basis for providing a portion of the loans to be made under the facility. If any participant or group of participants with a significant portion of the commitments under the ABL Facility fails to satisfy its or their respective obligations to extend credit under the facility and we are unable to find a replacement for such participant or participants on a timely basis (if at all), our liquidity may be adversely affected. In addition, the lenders under the ABL Facility may reduce the borrowing base under the facility in certain circumstances, which could adversely impact our liquidity and results of operations.

Our high level of indebtedness may hinder our ability to negotiate favorable terms with our landlords, vendors and suppliers, which could negatively impact our operating performance and, thus, could make it more difficult for us to generate cash flow sufficient to satisfy all of our obligations under our indebtedness.

Our new store profitability is partially attributable to our ability to negotiate attractive rental rates with our landlords and to secure sale-leaseback financing at attractive cap rates. Our high level of indebtedness may adversely affect our credit profile or rating, which may adversely affect our ability to negotiate favorable rental rates for our new store locations or expiring existing store leases or secure sale-leaseback financing. This could negatively impact the profitability of new and existing stores and potentially limit the number of viable new store locations or replacement store locations for expiring store leases.

Our successful retail strategy is partially attributable to our ability to negotiate favorable trade terms with our vendors. Our high level of indebtedness may adversely affect our credit profile or rating, which may adversely affect our ability to negotiate favorable trade terms from our current or future merchandise vendors, including pricing, payment, delivery, inventory, transportation, defective and marketing allowances and other terms, and may increase our need to support merchandise purchases with letters of credit. We may also be unable to negotiate favorable trade terms for our current or future service and non-merchandise vendors, including vendors that assist us in critical aspects of the business such as real estate, transportation and logistics, customs, hazardous material and firearm compliance, warehousing and storage, insurance and risk management, procurement, marketing and advertising, store and online operations and information technology. This could negatively impact the profitability of our business and our ability to effectively compete against other retailers. Thus, our high level of indebtedness could adversely affect the profitability of our business, which could make it more difficult for us to generate cash flow sufficient to satisfy our obligations under our indebtedness.

Risks Related to this Offering and Ownership of Our Common Stock

We will be a "controlled company" within the meaning of the rules of Nasdaq and the rules of the SEC and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of other companies that are subject to such requirements.

After completion of this offering and the application of net proceeds therefrom, KKR Stockholders will collectively beneficially own approximately % of the voting power of common stock (or % if the underwriters exercise in full their over-allotment option). As a result, we will be a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirement that:

- a majority of our board of directors consist of "independent directors" as defined under the rules of Nasdaq;
- our director nominees be selected, or recommended for our board of directors' selection by a nominating/governance committee comprised solely of independent directors; and
- the compensation of our executive officers be determined, or recommended to our board of directors for determination, by a compensation committee comprised solely of independent directors.

Following this offering, we intend to utilize these exemptions. As a result, we may not have a majority of independent directors, our compensation committee and nominating and governance committee may not consist entirely of independent directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

KKR Stockholders control us and their interests may conflict with yours in the future.

Immediately following this offering, KKR Stockholders will collectively beneficially own % of the voting power of our common stock (or % if the underwriters exercise in full their over-allotment option). KKR Stockholders will be able to control the election and removal of our directors and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our certificate of incorporation or bylaws and other significant corporate transactions for so long as KKR Stockholders and their affiliates retain significant ownership of us. KKR Stockholders and their affiliates may also direct us to make significant changes to our business operations and strategy, including with respect to, among other things, store openings and closings, new product and service offerings, team member headcount levels and initiatives to reduce costs and expenses. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. So long as KKR Stockholders continue to own a significant amount of our voting power, even if such amount is less than 50%, KKR Stockholders will continue to be able to strongly influence or effectively control our decisions and, so long as KKR Stockholders and their affiliates collectively own at least % of all outstanding shares of our stock entitled to vote generally in the election of directors, KKR Stockholders will be able to appoint individuals to our board of directors under the stockholders agreement that we expect to enter into in connection with this offering. See "Certain Relationships and Related Party Transactions—Stockholders Agreement." The interests of KKR Stockholders may not coincide with the interests of other holders of our common stock.

In the ordinary course of their business activities, KKR Stockholders and their affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Our certificate of incorporation will provide that any of KKR Stockholders, any of their affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will not have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. KKR Stockholders and their affiliates also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, KKR Stockholders may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you.

In addition, KKR Stockholders and their affiliates will be able to determine the outcome of all matters requiring stockholder approval and will be able to cause or prevent a change of control of the Company or a change in the composition of our board of directors and could preclude any acquisition of the Company. This concentration of voting control could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of the Company and ultimately might affect the market price of our common stock.

We will incur increased costs and become subject to additional regulations and requirements as a result of becoming a public company, and our management will be required to devote substantial time to new compliance matters, which could lower our profits or make it more difficult to run our business.

As a public company, we will incur significant legal, regulatory, finance, accounting, investor relations, insurance, and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-executive directors. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and related rules implemented by the SEC, and Nasdaq. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. Our management will need to devote a substantial amount of time to ensure

that we comply with all of these requirements, diverting the attention of management away from revenue-producing activities. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

Failure to comply with requirements to design, implement and maintain effective internal controls could have a material adverse effect on our business and stock price.

As a privately-held company, we were not required to evaluate our internal control over financial reporting in a manner that meets the standards of publicly traded companies required by Section 404(a) of the Sarbanes-Oxley Act, or Section 404.

As a public company, we will have significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations. In addition, we will be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting in the second annual report following the completion of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business.

In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their attestation report. Our testing, or the subsequent testing (if required) by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Any material weaknesses could result in a material misstatement of our annual or quarterly consolidated financial statements or disclosures that may not be prevented or detected.

We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 or our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified report, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our common stock.

There has been no prior public market for our common stock and there may not develop or continue an active, liquid trading market for shares of our common stock, which may cause shares of our common stock to trade at a discount from the initial offering price and make it difficult to sell the shares of common stock you purchase.

Prior to this offering, there has not been a public trading market for shares of our common stock. We cannot predict the extent to which investor interest in us will lead to the development of a trading market or how active and liquid that market may become. If an active and liquid trading market does not develop or continue, you may have difficulty selling your shares of our common stock at an attractive price or at all. If you purchase shares of our common stock in this offering, you will pay a price that was not established in a competitive market. Instead, the initial public offering price per share of common stock will be determined by agreement among us and the representative(s) of the underwriters, and may not be indicative of the price at which shares of our common stock will trade in the public market after this offering. The market price of our common stock may decline below the initial offering price and you may not be able to sell your shares of our common stock at or above the price you paid in this offering, or at all. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. Furthermore, an inactive market may also impair our ability to raise capital by selling shares of our common stock.

Our stock price may change significantly following this offering, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

Even if a trading market develops, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. You may not be able to resell your shares at or above the initial public offering price due to a number of factors such as those listed in "—Risks Related to Our Business" and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- changes in economic conditions for companies in our industry;
- changes in market valuations of, or earnings and other announcements by, companies in our industry;
- declines in the market prices of stocks generally, particularly those of sporting goods and outdoor recreation retail companies;
- additions or departures of key management personnel;
- strategic actions by us or our competitors;
- announcements by us, our competitors our suppliers of significant contracts, price reductions, new products or technologies, acquisitions, dispositions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments;
- changes in preference of our customers and our market share;
- changes in general economic or market conditions or trends in our industry or the economy as a whole;
- changes in business or regulatory conditions;
- future sales of our common stock or other securities;
- investor perceptions of or the investment opportunity associated with our common stock relative to other investment alternatives;

- changes in the way we are perceived in the marketplace, including due to negative publicity or campaigns on social media to boycott certain of our products, our business or our industry;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business;
- announcements relating to litigation or governmental investigations;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our common stock;
- changes in accounting principles; and
- other events or factors, including those resulting from informational technology system failures and disruptions, epidemics, pandemics, natural disasters, war, acts of terrorism, civil unrest or responses to these events.

Furthermore, the stock market may experience extreme volatility that, in some cases, may be unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation against various issuers. If we were to become involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation, which may adversely affect the market price of our common stock.

Investors in this offering will suffer immediate and substantial dilution.

The initial public offering price per share of common stock will be substantially higher than our pro forma net tangible book value (deficit) per share immediately after this offering. As a result, you will pay a price per share of common stock that substantially exceeds the per share book value of our tangible assets after subtracting our liabilities. In addition, you will pay more for your shares of common stock than the amounts paid by our existing owners. Assuming an initial public offering price of $ per share of common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, you will incur immediate and substantial dilution in an amount of $ per share of common stock. If the underwriters exercise their over-allotment option, you will experience additional dilution. See "Dilution."

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

After this offering we will have approximately shares of common stock authorized but unissued. Our amended and restated certificate of incorporation to become effective immediately prior to the consummation of this offering will authorize us to issue these shares of common stock and options relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved shares for issuance under our 2011 Equity Plan and our 2020 Equity Plan. See "Executive Compensation—Equity Compensation Plans." Any common stock that we issue, including under our 2011 Equity Plan, 2020 Equity Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase

common stock in this offering. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

Our ability to raise capital in the future may be limited.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to holders of our common stock to make claims on our assets and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities or securities convertible into equity securities, existing stockholders will experience dilution and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, you bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

Because we have no current plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We have no current plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, and will depend on, among other things, general and economic conditions, our results of operations and financial condition, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our credit agreements and other indebtedness we may incur, and such other factors as our board of directors may deem relevant. See “Dividend Policy.” As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than your purchase price.

Academy Sports and Outdoors, Inc. is a holding company and depends on its subsidiaries for cash to fund its operations and expenses, including future dividend payments, if any.

Our operations are conducted through our wholly owned subsidiaries and our ability to generate cash to meet our debt service obligations or to make future dividend payments, if any, is highly dependent on the earnings of, and the receipt of funds from, our subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our common stock, the agreements governing our indebtedness may restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

Future sales, or the perception of future sales, by us or our existing owners in the public market following this offering could cause the market price for our common stock to decline.

The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, including sales by our existing owners, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Upon completion of this offering we will have a total of shares of our common stock outstanding. Of the outstanding shares, the shares sold in this offering (or shares if the underwriters exercise in full their over-allotment option) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, or Rule 144, including our directors, executive officers and other affiliates (including our existing owners), may be sold only in compliance with the limitations described in "Shares Eligible for Future Sale."

The remaining outstanding shares of common stock held by our existing owners after this offering, representing % of the total outstanding shares of our common stock following this offering (or % if the underwriters exercise in full their over-allotment option), will be "restricted securities" within the meaning of Rule 144 and subject to certain restrictions on resale. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144, as described in "Shares Eligible for Future Sale."

We, our executive officers, directors and certain of our existing owners, will sign lock-up agreements with the underwriters that will, subject to certain customary exceptions, restrict the sale of the shares of our common stock and certain other securities held by them for 180 days following the date of this prospectus. Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC may, in their sole discretion and at any time without notice, release all or any portion of the shares or securities subject to any such lock-up agreements. See "Underwriting (Conflicts of Interest)" for a description of these lock-up agreements.

Upon the expiration of the lock-up agreements described above, all of such shares will be eligible for resale in a public market pursuant to Rule 144, subject to our compliance with the public information requirement and, in the case of shares held by our affiliates, to volume, manner of sale and other limitations under Rule 144. We expect that certain of our existing owners will be considered an affiliate upon the expiration of the lock-up period based on their expected share ownership, as well as their board nomination rights (if applicable). Certain other of our stockholders may also be considered affiliates at that time.

In addition, pursuant to a registration rights agreement, KKR Stockholders and the Gochman Investors will each have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under the Securities Act. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement." By exercising their registration rights and selling a large number of shares, KKR Stockholders and/or the Gochman Investors could cause the prevailing market price of our common stock to decline. Certain of our existing owners have "piggyback" registration rights with respect to future registered offerings of our common stock. Following completion of this offering, the shares covered by registration rights would represent approximately % of our total common stock outstanding (or % if the underwriters exercise in full their over-allotment option). Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. See "Shares Eligible for Future Sale."

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to our existing 2011 Equity Plan and our 2020 Equity Plan and the ESPP to be adopted in connection with this offering. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market. We expect that the initial registration statement on Form S-8 will cover shares of our common stock.

As restrictions on resale end, or if the existing owners exercise their registration rights, the market price of our shares of common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, or if our operating results do not meet their expectations, the price of our stock could decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Our management may spend the proceeds of this offering in ways with which you may disagree or that may not be profitable.

Although we anticipate using the net proceeds from the offering as described under "Use of Proceeds," we will have broad discretion as to the application of the net proceeds and could use them for purposes other than those contemplated by this offering. You may not agree with the manner in which our management chooses to allocate and spend the net proceeds. Our management may use the proceeds for corporate purposes that may not increase our profitability or otherwise result in the creation of stockholder value. In addition, pending our use of the proceeds, we may invest the proceeds primarily in instruments that do not produce significant income or that may lose value.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions will provide for, among other things:

- a classified board of directors, as a result of which our board of directors will be divided into three classes, with each class serving for staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;
- advance notice requirements for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least $66^2/_3\%$ of the shares of common stock entitled to vote generally in the election of directors if KKR Stockholders and their affiliates cease to beneficially own at least 40% of shares of common stock entitled to vote generally in the election of directors; and
- that certain provisions may be amended only by the affirmative vote of at least $66^2/_3\%$ of shares of common stock entitled to vote generally in the election of directors if KKR Stockholders and their affiliates cease to beneficially own at least 40% of shares of common stock entitled to vote generally in the election of directors.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. See "Description of Capital Stock."

Our board of directors will be authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

Our amended and restated certificate of incorporation will authorize our board of directors, without the approval of our stockholders, to issue shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value.

Our amended and restated certificate of incorporation will provide, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders and the federal district courts will be the exclusive forum for Securities Act claims, which could limit our stockholders' ability to bring a suit in a different judicial forum than they may otherwise choose for disputes with us or our directors, officers, team members or stockholders.

Our amended and restated certificate of incorporation will provide, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of our company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee or stockholder of our company to the Company or our stockholders, creditors or other constituents, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, which already provides that such claims must be bought exclusively in the federal courts. Our amended and restated certificate of incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the U.S. federal district courts will be the exclusive forum for the resolution of any actions or proceedings asserting claims arising under the Securities Act. While the Delaware Supreme Court has upheld the validity of similar provisions under the DGCL, there is uncertainty as to whether a court in another state would enforce such a forum selection provision. Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other team members or stockholders. Alternatively, if a court were to find the choice of forum provision contained in our amended restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial conditions.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements are included throughout this prospectus, including in the sections entitled "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We have used the words "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," the negative version of these words or similar terms and phrases to identify forward-looking statements in this prospectus.

The forward-looking statements contained in this prospectus are based on management's current expectations and are not guarantees of future performance. The forward-looking statements are subject to various risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. Actual results may differ materially from these expectations due to changes in global, regional or local economic, business, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that these factors include but are not limited to those described under "Risk Factors" and the following:

- overall decline in the health of the economy and consumer discretionary spending;
- our ability to predict or effectively react to changes in consumer tastes and preferences, to acquire and sell brand name merchandise at competitive prices and/or to manage our inventory balances;
- intense competition in the sporting goods and outdoor recreation retail industries;
- the impact of COVID-19 on our business and financial results;
- our ability to safeguard sensitive or confidential data relating to us and our customers, team members and vendors;
- risks associated with our reliance on internationally manufactured merchandise;
- our ability to comply with laws and regulations affecting our business, including those relating to the sale, manufacture and import of consumer products;
- claims, demands and lawsuits to which we are, and may in the future, be subject and the risk that our insurance or indemnities coverage may not be sufficient;
- harm to our reputation;
- our ability to operate, update or implement our information technology systems;
- risks associated with disruptions in our supply chain and losses of merchandise purchasing incentives;
- any failure of our third-party vendors of outsourced business services and solutions;
- our ability to successfully continue our store growth plans or manage our growth effectively, or any failure of our new stores to generate sales and/or achieve profitability;
- risks associated with our e-commerce business;
- risks related to our owned brand merchandise;
- any disruption in the operation of our distribution centers;
- quarterly and seasonal fluctuations in our operating results;

- the occurrence of severe weather events, catastrophic health events, natural or man-made disasters, social and political conditions or civil unrest;
- our ability to protect our intellectual property and avoid the infringement of third-party intellectual property rights;
- our dependence on our ability to meet our labor needs;
- the geographic concentration of our stores;
- fluctuations in merchandise costs and availability;
- our ability to manage the growth of our business;
- our ability to retain key executives;
- our ability to successfully pursue strategic acquisitions and integrate acquired businesses;
- payment-related risks;
- the effectiveness of our marketing and advertising programs; and
- our substantial indebtedness.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this prospectus speaks only as of the date of this prospectus and are expressly qualified in their entirety by the cautionary statements included in this prospectus. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million (or approximately $ million, if the underwriters exercise in full their over-allotment option) from the sale of shares of our common stock in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares from the expected number of shares of common stock to be sold by us in this offering, assuming no change in the assumed initial offering price per share, would increase (decrease) our net proceeds from this offering by $ million. A $1.00 increase (decrease) in the assumed initial offering price would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use these proceeds for general corporate purposes, which may include the repayment of certain indebtedness, as will be determined prior to this offering.

DIVIDEND POLICY

We currently expect to retain all future earnings for use in the operation and expansion of our business and have no current plans to pay dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, and will depend on, among other things, general and economic conditions, our results of operations and financial condition, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our credit agreements and other indebtedness we may incur, and such other factors as our board of directors may deem relevant. If we elect to pay such dividends in the future, we may reduce or discontinue entirely the payment of such dividends at any time. Academy Sports and Outdoors, Inc. is a holding company and its operations are conducted through its wholly owned subsidiaries. In the event that we do pay a dividend, we intend to cause our operating subsidiaries to make distributions to us in an amount sufficient to cover such dividend. Our operating subsidiary, Academy, Ltd. and its subsidiaries are currently subject to certain restrictions and covenants under the credit agreements governing the ABL Facility and the Term Loan Facility, including limits on amounts of leverage, interest charges and capital expenditures. These restrictions and covenants may restrict the ability of those entities to make distributions to Academy Sports and Outdoors, Inc. See "Description of Certain Indebtedness." Any additional financing arrangement we enter into in the future may include restrictive covenants that limit our subsidiaries' ability to pay dividends to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

On August 28, 2020, New Academy Holding Company, LLC paid a $257.0 million one-time special distribution to its unitholders of record as of August 25, 2020, of which $218.3 million was paid to Allstar LLC, an investment entity owned by KKR, $24.9 million was paid to the Gochman Investors and the remaining $4.8 million was paid to other unitholders. $248.0 million of such one-time special distribution was funded through cash on hand, with the remainder distributed through an offset of outstanding loans receivable from certain unitholders as well as state income tax withholdings made on behalf of our unitholders.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization as of August 1, 2020 of New Academy Holding Company, LLC on an actual basis and of Academy Sports and Outdoors, Inc. on a pro forma basis to reflect:

- the $257.0 million one-time special distribution paid on August 28, 2020 to New Academy Holding Company, LLC's unitholders;
- the Reorganization Transactions; and
- the sale of shares of our common stock offered by us in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds to us therefrom as described under "Use of Proceeds."

You should read this table in conjunction with the information contained in "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Certain Indebtedness" as well as our audited consolidated financial statements and related notes and our unaudited condensed consolidated financial statements and related notes, each included elsewhere in this prospectus.

	As of August 1, 2020		
	New Academy Holding Company, LLC Actual (unaudited)	Academy Sports and Outdoors, Inc. Pro Forma(1) (unaudited)	
(In thousands, except par value)			
Cash and cash equivalents	$ 884,029	$	(3)
Debt:			
ABL Facility(2)	—		
Term Loan Facility	1,433,965		
Total debt	$ 1,433,965	$	
Partners'/Stockholders' equity:			
Partners' equity	1,149,096	—	
Common stock, $0.01 par value per share, shares authorized, shares issued and outstanding, pro forma	—		
Additional paid-in capital	—		(4)
Accumulated and other comprehensive income (loss)	—		
Retained earnings	—		
Non-controlling interest	—		
Total partners'/stockholders' equity	1,149,096		
Total capitalization	$ 2,583,061	$	

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds that we receive in this offering and each of additional paid-in capital, total stockholders' equity and total capitalization by approximately $, assuming the number of shares offered by us remains the same as set forth on the cover page of this prospectus and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. An increase

(decrease) of 1,000,000 shares in the expected number of shares to be sold by us in this offering, assuming no change in the assumed initial public offering price, would increase (decrease) our net proceeds from this offering and each of additional paid-in capital, total stockholders' equity and total capitalization by approximately $. The pro forma column reflects the issuance of shares of common stock of Academy Sports and Outdoors, Inc. in connection with the contribution of New Academy Holding Company, LLC by its unitholders and related reorganization transactions and related cancellation of all outstanding partners' equity at New Academy Holding Company, LLC in connection with the offering.

(2) As of August 1, 2020, there were $29.7 million letters of credit outstanding, $19.9 million of which were issued under the ABL Facility. For a further description of our ABL Facility, see "Description of Certain Indebtedness."

(3) Pro forma cash and cash equivalents reflects (i) a decrease of $248.0 million in cash, which amount was used to fund the special distribution on August 28, 2020, and (ii) an increase of $ million from the application of the net proceeds from this offering as cash and cash equivalents pending application as set forth in "Use of Proceeds."

(4) Pro forma additional paid-in capital reflects (i) a decrease of $ million in partners' equity at New Academy Holding Company, LLC due to the special distribution to its unitholders and (ii) an increase of $ million from the sale of shares in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus.

DILUTION

If you invest in our common stock in this offering, your ownership interest in us will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value (deficit) per share of our common stock after giving effect to this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the pro forma net tangible book value per share attributable to our existing owners.

Our pro forma net tangible book value (deficit) as of August 1, 2020 was approximately $ million, or $ per share of our common stock. We calculate pro forma net tangible value (deficit) per share by taking the amount of our total tangible assets, reduced by the amount of our total liabilities, and then dividing that amount by the total number of shares of common stock outstanding on a pro forma basis giving effect to the Reorganization Transactions.

After giving effect to (i) our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and (ii) the use of proceeds therefrom, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value (deficit) as of August 1, 2020 would have been $ million, or $ per share of our common stock. This amount represents an immediate increase in pro forma net tangible book value (deficit) of $ per share of common stock to our existing owners and an immediate and substantial dilution in pro forma net tangible book value (deficit) of $ per share of common stock to new investors purchasing shares in this offering.

The following table illustrates this dilution on a per share of common stock basis assuming the underwriters do not exercise their option to purchase additional shares of common stock:

Assumed initial public offering price per share of common stock	$
Pro forma net tangible book value (deficit) per share of common stock as of August 1, 2020	
Increase in pro forma net tangible book value per share of common stock attributable to investors in this offering	
Pro forma net tangible book value (deficit) per share of common stock after giving effect to this offering	
Dilution in pro forma net tangible book value per share of common stock to investors in this offering	$

Dilution is determined by subtracting pro forma net tangible book value (deficit) per share of common stock after the offering from the initial public offering price per share of common stock.

Each $1.00 increase or decrease in the assumed initial public offering price per share of common stock would increase or decrease, as applicable, the pro forma net tangible book value by $ per share and the dilution to new investors in the offering by $ per share, assuming that the number of shares offered in this offering, as set forth on the cover page of this prospectus, remains the same. The pro forma information discussed above is for illustrative purposes only. Our net tangible book value (deficit) following the completion of the offering is subject to adjustment based on the actual offering price of our common stock and other terms of this offering determined at pricing.

The following table summarizes, on the same pro forma basis as of August 1, 2020, the total number of shares of common stock purchased from us, the total cash consideration paid to us and the average price per

share of common stock paid by our existing owners and by new investors purchasing shares of common stock in this offering.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Existing owners		%	$	%	$
New investors in this offering		%	$	%	$
Total		%	$	%	$

If the underwriters were to exercise in full their option to purchase additional shares of our common stock from us, the percentage of shares of our common stock held by existing owners as of August 1, 2020 would be % and the percentage of shares of our common stock held by new investors in this offering would be %.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

Set forth below is our selected historical consolidated financial data as of the dates and for the periods indicated. The selected historical financial data as of February 1, 2020 and February 2, 2019 and for 2019, 2018 and 2017 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical financial data as of February 3, 2018, January 28, 2017 and January 30, 2016 and for 2016 and 2015 has been derived from our consolidated financial statements not included in this prospectus. The selected historical financial data as of and for the twenty-six weeks ended August 1, 2020 and August 3, 2019 has been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

The selected historical consolidated financial data of Academy Sports and Outdoors, Inc. has not been presented, as Academy Sports and Outdoors, Inc. is a newly incorporated entity, has had no business transactions or activities to date other than in connection with its formation and this offering and had no assets or liabilities during the periods presented in this section.

Pro forma balance sheet data as of August 1, 2020 presented below gives effect to the $257.0 million one-time special distribution to our unitholders paid on August 28, 2020, $248.0 million of which was paid with cash on hand and the remainder of which was distributed through an offset of outstanding loans receivable from certain unitholders as well as state income tax withholdings made on behalf of our unitholders. Pro forma net income data presented below gives effect to the anticipated conversion of New Academy Holding Company, LLC to a C Corporation. Pro forma net income per share data for 2019 and the twenty-six weeks ended August 1, 2020 presented below gives effect to the Reorganization Transactions and also assumes that and additional shares of common stock were outstanding for 2019 and the twenty-six weeks ended August 1, 2020, respectively, and were used to fund the amount of the special distribution in excess of our net income for such period.

You should read the following selected financial data below together with the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes and our unaudited condensed consolidated financial statements and related notes, each included elsewhere in this prospectus.

	Fiscal Year Ended					Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	January 28, 2017	January 30, 2016	August 1, 2020	August 3, 2019
Period length	52 weeks	52 weeks	53 weeks	52 weeks	52 weeks	26 weeks	26 weeks
(In thousands)							
Statement of Income Data:							
Net sales(1)	$ 4,829,897	$ 4,783,893	$ 4,835,582	$ 4,738,474	$ 4,646,686	$ 2,742,721	$ 2,314,202
Costs of goods sold	3,398,743	3,415,941	3,436,618	3,419,784	3,299,972	1,948,275	1,616,022
Gross margin	1,431,154	1,367,952	1,398,964	1,318,690	1,346,714	794,446	698,200
Selling, general and administrative expenses	1,251,733	1,239,002	1,241,643	1,171,411	1,094,500	596,636	614,172
Operating income	179,421	128,950	157,321	147,279	252,214	197,810	84,028
Interest expense, net	101,307	108,652	104,857	96,610	114,821	48,088	52,586
(Gain) loss on early retirement of debt, net(2)	(42,265)	—	(6,294)	—	55,498	(7,831)	(42,265)
Other (income), net	(2,481)	(3,095)	(2,524)	(5,201)	(804)	(1,621)	(1,454)
Income before income taxes	122,860	23,393	61,282	55,870	82,699	159,174	75,161
Income tax expense	2,817	1,951	2,781	1,814	1,614	1,518	1,408
Net income	$ 120,043	$ 21,442	$ 58,501	$ 54,056	$ 81,085	$ 157,656	$ 73,753

Period length (In thousands, except per share amounts and store data)	Fiscal Year Ended February 1, 2020	Fiscal Year Ended February 2, 2019	Fiscal Year Ended February 3, 2018	Fiscal Year Ended January 28, 2017	Fiscal Year Ended January 30, 2016	Twenty-Six Weeks Ended August 1, 2020	Twenty-Six Weeks Ended August 3, 2019
	52 weeks	52 weeks	53 weeks	52 weeks	52 weeks	26 weeks	26 weeks
Per Share Data (unaudited):							
Pro forma net income[3]							
Pro forma net income per share[3][4]:							
Basic							
Diluted							
Weighted average shares of common stock outstanding[4]:							
Basic							
Diluted							
Cash Flow Data:							
Net cash provided by operating activities	$ 263,669	$ 198,481	$ 83,355	$ 164,555	$ 249,376	$773,621	$103,961
Net cash used in investing activities	(66,783)	(99,027)	(115,901)	(153,215)	(118,096)	(13,580)	(31,767)
Net cash provided by (used in) financing activities	(123,192)	(54,808)	8,514	(8,392)	(287,052)	(25,127)	(95,795)
Capital expenditures	62,818	107,905	132,126	177,628	197,710	13,850	27,802
Store Data (Unaudited):							
Comparable sales increase (decrease)	(0.7)%	(2.5)%	(5.2)%	(3.4)%	3.1%	15.9%	(4.3)%
Number of stores at end of period	259	253	244	228	209	259	254
Total square feet at end of period (in millions)	18.3	17.9	17.3	16.3	15.0	18.3	18.0
Net sales per square foot[5]	$ 264	$ 267	$ 279	$ 291	$ 309	$ 150	$ 129

(In thousands)	As of February 1, 2020	February 2, 2019	February 3, 2018	January 28, 2017	January 30, 2016	August 1, 2020 (Actual)	August 1, 2020 (Pro Forma)[6]	August 3, 2019
Balance Sheet Data:								
Cash and cash equivalents	$ 149,385	$ 75,691	$ 31,045	$ 55,077	$ 52,129	$ 884,029		$ 52,090
Merchandise inventories, net	1,099,749	1,134,156	1,223,486	1,090,899	1,028,032	899,086		1,203,806
Working capital[7]	538,795	582,789	605,083	491,126	344,511	758,081		495,572
Total assets[7]	4,331,321	3,238,957	3,323,046	3,258,354	3,257,275	4,842,848		4,366,629
Total debt, net of deferred loan costs	1,462,658	1,625,060	1,675,356	1,681,264	1,699,360	1,431,050		1,488,358
Total equity	988,219	857,039	832,687	756,262	689,106	1,149,096		925,302

(1) The impact of the 53rd week to 2017 net sales was $60.6 million.

(2) In first half 2020, 2019 and 2017, we repurchased principal on our Term Loan Facility, which was trading at a discount, and recognized as a gain, net of the write-off of related deferred loan costs. In first half 2020, we repurchased a total of $23.9 million of principal in open market transactions for an aggregate purchase price of $16.0 million and recognized a related net gain of $7.8 million. In 2019, we repurchased a total of $147.7 million of principal in open market transactions for an aggregate purchase price of $104.6 million

and recognized a related net gain of $42.3 million. In 2017, we repurchased $26.2 million of principal in open market transactions for an aggregate purchase price of $19.7 million and recognized a related net gain of $6.3 million. In 2015, we entered into the Term Loan Facility and 2015 ABL Facility and used the proceeds to pay off our previous term loan facility and notes. We had a related loss on early retirement of debt of $55.5 million from the write-off of deferred loan costs and the payment of prepayment and professional fees.

(3) Pro forma net income data gives effect to the anticipated conversion of New Academy Holding Company, LLC to a C corporation. We are currently treated as a flow through entity for U.S. federal income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income (loss). After consummation of this offering, we will become subject to U.S. federal income taxes and additional state income taxes and be taxed at the prevailing corporate rates. The pro forma tax expense assumed in the pro forma net income data is estimated to be 24.5% plus certain state taxes we currently include in income tax expense as a flow through entity. Our actual income tax rate, and our actual income tax liability, after this offering may be different from our assumed rate, and such difference may be material.

(4) Basic and diluted pro forma net income per share data for 2019 and for the twenty-six weeks ended August 1, 2020 also assumes that $ million of the proceeds of the proposed offering were used to fund the one-time special distribution to our unitholders paid on August 28, 2020. The number of shares of common stock that we would have been required to issue to fund the distribution was calculated by dividing the $ million (representing the amount by which the $257.0 million gross amount of the special distribution exceeds historical net income during 2019 or the previous twelve months ended August 1, 2020, as applicable) by an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus. The number of shares used for purposes of pro forma per share data represents the total number of shares that would have been outstanding for 2019 or for the twenty-six weeks ended August 1, 2020, as applicable, after giving effect to such number of shares of common stock, the proceeds of which is assumed to be used to fund the distribution, but not the other shares to be issued and sold in the offering. As such, the number of shares being added to the denominator for purposes of pro forma per share data will not exceed the total number of shares to be issued in the offering.

The table below sets forth the computation of our unaudited basic and diluted pro forma net income per share for 2019 and the twenty-six weeks ended August 1, 2020:

	Fiscal Year Ended February 1, 2020		Twenty-Six Weeks Ended August 1, 2020	
(In thousands, except per share data)	Basic	Diluted	Basic	Diluted
Pro forma net income				
Weighted average shares of common stock outstanding after giving effect to the Reorganization Transactions				
Adjustment to weighted average shares of common stock outstanding related to the distribution				
Pro forma weighted average shares of common stock outstanding				
Pro forma net income per share				

(5) Calculated using net sales and square footage of all stores open at the end of the respective period. Square footage includes the in-store storage, receiving and office space that generally occupies approximately 15% of total store space in our stores.

(6) Pro forma balance sheet data as of August 1, 2020 gives effect to the use of $248.0 million of cash on hand to fund the special distribution and the related $ million decrease to the partners' equity.

(7) Effective February 3, 2019, we adopted the New Lease Standard, which requires that lessees recognize assets and liabilities arising from operating leases on the balance sheet. Adoption of the new standard resulted in $1.2 billion in right-of-use assets and a combined $1.2 billion between current lease liabilities and long-term lease liabilities included on the balance sheet as of February 3, 2019. See Note 2 and Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for further details regarding the adoption of this standard.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion analyzes the financial condition and results of operations of New Academy Holding Company, LLC and its subsidiaries and should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. The historical consolidated financial data of Academy Sports and Outdoors, Inc. is not discussed below, as Academy Sports and Outdoors, Inc. is a newly incorporated entity, has had no business transactions or activities to date other than in connection with its formation and this offering and had no assets or liabilities during the periods presented in this section. Prior to the consummation of this offering, New Academy Holding Company, LLC, the current holding company for the business described in this prospectus, will be contributed to Academy Sports and Outdoors, Inc., by its unitholders and become a wholly owned subsidiary of Academy Sports and Outdoors, Inc. and Academy Sports and Outdoors, Inc. will be the holding company of the business described in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements." When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that characterize our business. Known material factors that could affect our financial performance and actual results, and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this discussion or otherwise made by our management, are described in "Risk Factors." Factors that could cause or contribute to such difference are not limited to those identified in "Risk Factors." All statements in this discussion and analysis concerning our current and planned operations are modified by reference to our discussion of recent developments related to the COVID-19 pandemic, and our ability to carry out our current and planned operations are dependent on further developments associated with the COVID-19 pandemic.

Our fiscal year represents the 52- or 53- week period ending on the Saturday closest to January 31. All references in this discussion and analysis to "2019", "2018" and "2017" or like terms relate to our fiscal years as follows:

Fiscal Year	***Ended***	***Weeks***
2019	*February 1, 2020*	*52*
2018	*February 2, 2019*	*52*
2017	*February 3, 2018*	*53*

Any reference in this discussion and analysis to the "first half 2020" or similar reference refers to the twenty-six week period ended August 1, 2020, any reference to "first half 2019" or similar reference refers to the twenty-six week period ended August 3, 2019, and any reference to "first quarter 2020" or similar reference refers to the thirteen week period ended May 2, 2020, and any reference to "first quarter 2019" or similar reference refers to the thirteen week period ended May 4, 2019.

Overview

We are one of the leading full-line sporting goods and outdoor recreation retailers in the United States. We estimate that we served 30 million unique customers and completed approximately 80 million transactions in 2019 across our seamless omnichannel platform and highly productive stores, resulting in net sales of $4.8 billion and making us the largest value-oriented sporting goods and outdoor recreation retailer in the country. Our mission is to provide "Fun for All" and fulfill this mission with a localized merchandising strategy and value proposition that deeply connect with a broad range of consumers. Our broad and localized assortment appeals to all ages, incomes and aspirations, including beginning and advanced athletes, families enjoying outdoor recreation, and enthusiasts pursuing their passion for sports and the outdoors.

We sell a range of sporting and outdoor recreation products, including sporting equipment, apparel, footwear, camping gear, patio furniture, outdoor cooking equipment, and hunting and fishing gear, among many others. Our strong merchandise assortment is anchored by our broad offering of year-round items, such as fitness equipment and apparel, work and casual wear, folding chairs, wagons and tents, training and running shoes, and coolers. We also carry a deep selection of seasonal items, such as sports equipment and apparel, seasonal wear and accessories, hunting and fishing equipment and apparel, patio furniture, trampolines, play sets, bicycles, and severe weather supplies. We provide locally relevant offerings, such as crawfish boilers in Louisiana, licensed apparel for area sports fans, baits and lures for area fishing spots, and beach towels in coastal markets. Our value-based assortment also includes exclusive products from our portfolio of 17 owned brands. Nearly 20% of our 2019 sales were from our owned brands, such as Magellan Outdoors and BCG, which offer a distinct offering to our customers. Our merchandising creates a balanced sales mix throughout the year with no single season accounting for more than 28% of our annual sales.

As of August 1, 2020, we operated 259 stores that range in size from approximately 40,000 to 130,000 gross square feet, with an average size of approximately 70,000 gross square feet, throughout 16 contiguous states located primarily in the southern United States. Our stores are supported by over 20,000 team members, three distribution centers, and our rapidly growing e-commerce platform, www.academy.com. We are deepening our customer relationships, further integrating our e-commerce platform with our stores and driving operating efficiencies by developing our omnichannel capabilities, such as our BOPIS program, which we launched in 2019.

Trends and Other Factors Affecting Our Business

Various trends and other factors affect or have affected our operating results, including:

Overall Economic Trends. All of our sales are generated within the United States, making our results of operations highly dependent on the U.S. economy and U.S. consumer discretionary spending. Macroeconomic factors that may affect customer spending patterns, and thereby our results of operations, include, but are not limited to: health of the economy; consumer confidence in the economy; financial market volatility; wages, jobs and unemployment trends; the housing market, including real estate prices and mortgage rates; consumer credit availability; consumer debt levels; gasoline and fuel prices; interest rates and inflation; tax rates and tax policy; immigration policy; import and customs duties/tariffs and policy; impact of natural or man-made disasters; legislation and regulations; international unrest, trade disputes, labor shortages, and other disruptions to the supply chain; changes to raw material and commodity prices; national and international security and safety concerns; and impact any of public health pandemics. Factors that impact consumer discretionary spending, which remains volatile globally, continue to create a complex and challenging retail environment for us. See "—Impact of COVID-19 on Our Business."

Consumer Preferences and Demands. The level of success we achieve is dependent on, among other factors, how accurately and timely we predict consumer tastes and preferences regarding sporting goods and outdoor recreation merchandise, the level of consumer demand, the availability of merchandise, and the competitive environment. Our products must appeal to a broad range of customers whose preferences cannot be predicted with certainty and are subject to change. We must identify, obtain supplies of, and offer to our customers, attractive and high-quality merchandise on a continuous basis. It is difficult to predict consistently and successfully the products and services our customers will demand as we often purchase products from our vendors several months in advance of the proposed delivery. If we misjudge the market for our products, we may be faced with excess inventories for some products. We utilize a variety of measures to help us identify products that are relevant to our customer base and to better understand changing customer trends, such as social media analysis, internet search analytics, internal customer insights and vendor intelligence.

Strategic Inventory Management. We must maintain sufficient inventory levels of merchandise that our customers desire to successfully operate our business. A shortage of popular merchandise could reduce our net

sales. Conversely, we also must seek to avoid accumulating excess inventory to maintain appropriate in-stock levels. If we overstock unpopular merchandise, then we may be forced to take significant inventory markdowns or miss opportunities for the sale of other merchandise, both of which could have a negative impact on our profitability, and, in turn, our sales may decline or we may be required to sell the merchandise we have obtained at lower prices. Much of our margin expansion from 2017 through 2019 can be attributed to our improvements in inventory management. We have deployed several new tools over recent years to improve inventory handling and vendor management, including third party programs to analyze our inventory stock and execute a disciplined markdown strategy throughout the year at every location. This implementation has allowed us to improve our inventory management in stores, increasing our average inventory turns from 2.68x in 2017 to 2.84x in 2019 and 3.36x for the twelve months ended August 1, 2020, and has helped us to identify and exit certain product categories, such as luggage and toys. We have coupled these tools with the data we have been able to collect from our Academy Credit Card program and targeted customer surveys, so that we can better estimate future inventory requirements. It is imperative that we continue to find innovative ways to strengthen our inventory management if we are to remain competitive and expand our margins on a go-forward basis.

Value Strategy. We offer a broad assortment of products at competitive prices that offer extraordinary value. Our in-store experience includes value-added customer service delivered by our highly trained and passionate staff, such as free assembly of certain products (such as bicycles, grills, and bows), fitness equipment demonstrations, issuances and renewals of hunting and fishing licenses, fishing line spooling and assisting customers with carrying bulk items to the car, among others. Our goal is to consistently offer better value than our peer retailers. Our value-based pricing gives us an advantage over the specialty retailers and other large format retailers, who typically offer their more limited assortment at premium prices. Our broad assortment gives us an advantage over mass general merchants who typically do not carry the leading national brands sold at Academy. We have also continued to add owned brand products to our assortment of products, which we generally price lower than the national brand products of comparable quality that we also offer. A shift in our sales mix in which we sell more units of our owned brand products and fewer units of the national brand products would generally have a positive impact on our gross margin but an adverse impact on our total net sales.

E-commerce/BOPIS. We expect that the expansion and enhancement of our omnichannel capabilities will be a key driver of growth in our net sales and gross margin. We continue to invest in initiatives that will increase traffic to our e-commerce website, which reached over 217 million visits in 2019, and drive increased online sales conversion. Our improved website also supports our stores with digital marketing and our BOPIS program. Since we launched our BOPIS program in 2019, we have seen significant penetration in e-commerce that generates high average order value and incremental in-store purchases. In 2019 and the twenty-six weeks ended August 1, 2020, BOPIS accounted for 24% and 50%, respectively, of our e-commerce sales and 1% and 5.4%, respectively, of total net sales for such periods. Our website also has allowed us to reach customers outside of our current store footprint and is also introducing new customers to the Academy brand, with approximately 25% of our first half 2020 e-commerce sales coming from new households. Our website is also a platform for marketing and product education, allowing us to connect further with our customers. We believe it is important that we continue to grow our omnichannel capabilities, especially in light of changing consumer preferences as a result of the COVID-19 pandemic, which, together with recent enhancements made to our website and omnichannel capabilities, contributed to the substantial increase in e-commerce sales during the first half 2020. It is, however, difficult to ascertain with precision what portion of our increased e-commerce sales during the first half 2020 is attributable to the COVID-19 pandemic as compared to such recent enhancements. Since 2011, we have made a $225 million investment in our omnichannel and information technology capabilities. We expect that expanding and enhancing these capabilities, including BOPIS, will continue to require significant investments by us.

Competition. The U.S. sporting goods and outdoor recreation retail industries are highly competitive and fragmented. We compete with specialty footwear and outdoor retailers, traditional sporting goods stores, large format sporting goods stores, mass general merchants and catalogue and internet retailers. This competition takes place both in physical retail locations and online. Some of our competitors may be significantly larger and have substantially greater resources than us. Pressure from our competitors could require us to reduce our prices or increase our spending for advertising and promotion. Traditional competitors have become increasingly

promotional and, if our competitors reduce their prices, it may be difficult for us to reach our net sales goals without reducing our prices, which could impact our margins. We may require significant capital in the future to sustain or grow our business, including our store and e-commerce activities, due to increased competition.

Sourcing and Supply Chain Management. For our business to be successful, our suppliers must provide us with quality products in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. Competition for resources throughout the supply chain, such as production and transportation capacities, has increased. Trends affecting the supply chain include the impact of fluctuating prices of labor and raw materials on our suppliers, as well as the impact of the COVID-19 pandemic. We depend on approximately 1,300 suppliers to supply us in a timely and efficient manner with the merchandise we purchase for resale. In 2019, purchases from our largest vendor represented approximately 14% of our total inventory purchases. The merchandise we sell is sourced from a wide variety of domestic and international suppliers and our ability to find qualified suppliers and access merchandise in a timely and efficient manner is often challenging, particularly with respect to merchandise sourced outside the United States. We generally do not have long-term written contracts with our suppliers that would require them to continue supplying us with merchandise, particular payment terms or the extension of credit. As a result, these suppliers could modify the terms of these relationships due to general economic conditions or otherwise. Changes in our relationships with our suppliers (which can occur for various reasons in or out of our control) also have the potential to increase our expenses and adversely affect our results of operations. Moreover, many of our suppliers provide us with merchandise purchasing incentives, such as return privileges, volume purchasing allowances and cooperative advertising, and a decline or discontinuation of these incentives could severely impact our results of operations. In addition, the announcement or imposition of any new or increased tariffs, duties or taxes as a result of trade or political tensions between the United States and other countries or otherwise could adversely affect our supply chain. In recent years, the Trump administration imposed multiple rounds of tariffs on exports from China, where we and many of our vendors source commodities. As a result, we have experienced rising inventory costs on owned brand products we directly source from China, as well as national brand products from China that we source through our vendors. These higher inventory costs have resulted in higher prices and/or lower margins, thus resulting in a negative impact to net sales and/or gross margin. On January 15, 2020, President Trump signed Phase I of a new trade agreement with China, signaling potential resolution between the two countries to the ongoing trade war in 2020. However, no significant modifications have been enacted to date, relative to the escalated tariffs which impact our business.

New Store Openings. We expect that new stores will be a key driver of growth in our net sales and gross margin in the future. Our results of operations have been and will continue to be materially affected by the timing and number of new store openings. We are continually assessing the number of locations available that could accommodate our preferred size of stores in markets we would consider and we expect to open eight to 10 new stores per year, starting in 2022, similar to our growth rates from 2018 through 2019. The performance of new stores may vary depending on various factors such as the store opening date, the time of year of a particular opening, the amount of store opening costs, the amount of store occupancy costs and the location of the new store, including whether it is located in a new or existing market. For example, we typically incur higher than normal team member costs at the time of a new store opening associated with set-up and other opening costs. Most of our stores achieve profitability within the first twelve months of opening a store. We have significant whitespace in both our core markets and green field markets. We believe our real estate strategy has positioned us well for further expansion. However, our planned store expansion will place increased demands on our operational, managerial, administrative and other resources. New stores in new markets, where we are less familiar with the target customer and less well-known by the target customer, may face different or additional risks and increased costs compared to new stores in existing markets. We may have to broaden our assortment to merchandise more locally as we grow into newer markets. Managing our growth effectively will require us to continue to enhance our store management systems, financial and management controls and information systems. We will also be required to hire, train and retain store management and store personnel, which, together with increased marketing costs, affects our operating income and net income.

Interim Results and Seasonality. Our business is subject to seasonal fluctuations. A significant portion of our net sales and profits is driven by summer holidays, such as Memorial Day, Father's Day and Independence Day, during the second quarter. Our net sales and profits are also impacted by the November/December holiday selling season, and in part by the sales of cold weather sporting goods and apparel during the fourth quarter.

53rd Week. We operate on the retail industry's 4-5-4 calendar. The 4-5-4 calendar is a guide for retailers that ensures sales comparability between years by dividing the year into months based on a 4 weeks – 5 weeks – 4 weeks format. Every five to six years a week is added to the 4-5-4 fiscal calendar. This anomaly has most recently occurred in 2017, which consisted of 53 weeks. 2018 and 2019 each consisted of 52 weeks. The additional week of 2017 contributed approximately $60.6 million of incremental net sales.

Impact of COVID-19 on Our Business

The outbreak of COVID-19, which has been declared a global pandemic by the World Health Organization, has affected our business, as well as our customers, team members and suppliers, and resulted in federal, state and local governmental authority safety recommendations and requirements aimed at mitigating the spread of the virus, such as stay-at-home orders, prohibitions of large group gatherings, travel restrictions and closures of certain businesses.

In response to these restrictions, and in order to serve our customers while also providing for the safety of our customers, team members and service providers, we have taken many actions, including cleaning each store professionally on a regular basis, equipping each store with hand sanitizer stations and signage illustrating how to socially distance within the store, wearing face coverings, limiting the number of customers admitted at one time, and having protective shields installed at cash registers and other countertops. We have incurred increased costs related to the implementation of these measures. We also incurred temporary wage premiums and additional sick time for our active store and distribution center team members. To mitigate the cost of these measures, during the thirteen weeks ended May 2, 2020, we temporarily furloughed a significant number of corporate, store and distribution center team members and enforced temporary pay cuts for executives and remaining active team members as well as other strategic actions to significantly reduce operating expenses during the period. We also drew down $500 million on our ABL Facility as a precautionary measure to ensure financial flexibility and maximize liquidity. We shortened the operating hours of our stores and fully closed six stores at some point during the thirteen weeks ended May 2, 2020, only one of which was closed for more than a week. We have also reduced, deferred or cancelled planned capital expenditures, primarily related to store remodels, and have worked with our business partners to modify vendor and landlord payments and terms. Our temporary furlough period ended by June 8, 2020 for all of our store, distribution center and corporate team members, and on June 25, 2020, we completed repaying the $500 million draw on the ABL Facility. All three of our distribution centers remained open during the thirteen weeks ended May 2, 2020 and as of May 2, 2020, 257 of our 259 stores were fully operational. We continue to monitor the rapidly evolving situation and expect to continue to adapt our operations to address federal, state, and local requirements as well as to implement standards or processes that we determine to be in the best interest of our team members, customers, and communities.

The impact of the pandemic and actions taken in response to it had varying effects on our results of operations and our business was extremely unpredictable during the thirteen weeks ended May 2, 2020. However, as an essential retailer, we have been able to serve our customers as their needs evolved during the pandemic. In early March 2020, we saw the acceleration of sales in specific categories, such as outdoor cooking, camping, shooting sports and hunting. Later in the first quarter, customers realized they needed to find ways to entertain their families and stay fit while schools and gyms closed, so they turned to us for isolated recreation, outdoor and leisure activities that we support, and as a result, we saw increased sales of weights, yoga mats, treadmills, indoor bicycles, fishing, hunting and camping gear, backyard and driveway games, trampolines, patio seating and grills. We anticipate that the increased popularity of isolated recreation, outdoor and leisure activity products will continue for the duration of the pandemic and will result in a long-term increase to our customer base. At the same time, we experienced decreased sales of certain of our offerings, primarily for apparel and footwear, and have had to cancel certain of our purchase orders for these products.

We believe that our consumers feel comfortable visiting our stores due to the fact that we have big-box stores and curbside pick-up availability for online orders, making it easier to socially distance, and that we are not in, or tethered to, malls, as customers seek to avoid crowded spaces. We have also seen a significant increase in customers purchasing our products through omnichannel platforms, specifically as customers increasingly take advantage of our curbside pickup service, which we launched during the thirteen weeks ended May 2, 2020.

The extent to which our operations and business trends will be impacted by, and any unforeseen costs will result from, the pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted. These developments include, among other things, new information that may emerge concerning the severity of the outbreak and health implications, actions by government authorities to contain the outbreak or treat its impact, and changes in consumer behavior resulting from the outbreak and such government actions. See "Risk Factors—Risks Related to Our Business—The impact of COVID-19 may adversely affect our business and financial results."

How We Assess the Performance of Our Business

Our management considers a number of financial and operating metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, determine the allocation of resources, make decisions regarding corporate strategies and evaluate projections. These metrics include operational measures and non-GAAP metrics supplemental to our GAAP results.

Comparable Sales. We define comparable sales as the percentage of period-over-period net sales increase or decrease, in the aggregate, for stores open after thirteen full fiscal months, as well as for all e-commerce sales. Stores which have been significantly remodeled or relocated are removed from this calculation until the new store has been in operation for substantially all of the periods being compared. Stores which have been closed for an extended period of time due to circumstances beyond our control are also removed from the calculation. Any sales made through our website are allocated to e-commerce sales for the purpose of measuring comparable sales, regardless of how those sales are fulfilled, whether shipped to home or picked up in-store or curbside through BOPIS. For example, all BOPIS transactions, which are originated by our website, are allocated to e-commerce sales for the purpose of comparable sales, despite the fact that our customers pick-up these purchases from a specific store. Increases or decreases in e-commerce between periods being compared directly impact the comparable sales results. We calculate adjusted comparable sales by excluding from comparable sales additional sales associated with Houston Astros World Series appearances, additional sales of a product driven by free shipping promotion and sales from certain product categories, such as toys, luggage and electronics, that we exited in 2018. See "—Non-GAAP Measures" below for a reconciliation of adjusted comparable sales to comparable sales.

Adjusted comparable sales is a non-GAAP financial measure. We use adjusted comparable sales as the basis for key operating decisions, such as allocation of receipts and inventory to particular categories. We believe that adjusted comparable sales assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our ongoing operating performance.

Various factors affect comparable sales and adjusted comparable sales, including consumer preferences, buying trends and overall economic trends; our ability to identify and respond effectively to customer preferences and local and regional trends; our ability to provide an assortment of high quality/value oriented product offerings that generate new and repeat visits to our stores and our website; the customer experience and unique services we provide in our stores; our ability to execute our omnichannel strategy, including the growth of our e-commerce business; changes in product mix and pricing, including promotional activities; the number of items purchased per visit and average order value; a shift in the timing of a holiday between comparable periods; and the number of stores that have been in operation for more than 13 months.

Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow. Management uses Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma

Adjusted Net Income (Loss) and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish and award discretionary annual incentive compensation, to report our compliance with certain covenants in our debt agreements, and to compare our performance against that of other peer companies using similar measures. See "—Non-GAAP Measures" below.

E-commerce Penetration. E-commerce penetration is defined as total e-commerce merchandise sales (which includes BOPIS) divided by total Company merchandise sales.

The following table summarizes our key financial and operating metrics (with nearest GAAP measures where applicable) for the periods indicated:

	Fiscal Year Ended			Twenty-Six Weeks Ended	
(In thousands, except percentages)	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Comparable sales	(0.7)%	(2.5)%	(5.2)%	15.9%	(4.3)%
Adjusted comparable sales	(0.6)%	(1.7)%	(6.1)%	15.9%	(4.0)%
Net income	$ 120,043	$ 21,442	$ 58,501	$157,656	$ 73,753
Adjusted EBITDA	322,814	300,259	315,420	282,902	156,837
Adjusted Net Income	101,469	55,405	72,078	179,106	43,800
Pro Forma Adjusted Net Income	75,927	41,338	53,732	134,844	32,737
Net cash provided by (used in) operating activities	263,669	198,481	83,355	773,621	103,961
Adjusted Free Cash Flow	$ 196,886	$ 99,454	$ (32,546)	$759,771	$ 72,194
E-commerce penetration	5%	5%	4%	11%	3%

Components of Our Results of Operations

Our profitability is primarily influenced by fluctuations in net sales, gross margin and our ability to leverage selling, general and administrative expenses.

Net Sales. Net sales are derived from in-store and e-commerce merchandise sales, net of sales tax and an allowance for merchandise returns.

Net sales fluctuations can be driven by new store openings, comparable sales increases or decreases, e-commerce sales, our ability to adjust inventory based on sales fluctuations, manage vendor relations and meet customer demand, allowances and logistics, seasonality, unseasonal or extreme weather, changes in consumer shopping preferences, consumer discretionary spending, and market and sales promotions.

Gross Margin. Gross margin is our net sales less cost of goods sold. Our cost of goods sold includes the direct cost of merchandise and costs related to procurement, warehousing and distribution. These costs consist primarily of payroll and benefits, occupancy costs and freight and are generally variable in nature relative to our sales volume.

Our gross margin depends on a number of factors, such as net sales increases or decreases, our promotional activities, product mix including owned brand merchandise sales, and our ability to control cost of goods sold, such as inventory and logistics cost management. Our gross margin is also impacted by variables including commodity costs, freight costs, shrinkage and inventory processing costs and e-commerce shipping costs. We track and measure gross margin as a percentage of net sales in order to evaluate our performance against profitability targets.

Selling, General and Administrative Expenses. Selling, general and administrative, or SG&A, expenses include store and corporate administrative payroll and payroll benefits, store and corporate headquarters

occupancy costs, advertising, credit card processing, information technology, pre-opening costs and other store and administrative expenses. These expenses are both variable and fixed in nature. We track and measure operating expenses as a percentage of net sales in order to evaluate our performance against profitability targets. Management of SG&A expenses depends on our ability to balance a control of operating costs, such as store, distribution center, and corporate headcount, information technology infrastructure and marketing and advertising expenses, with efficiently and effectively servicing our customers. We expect that our SG&A expenses will increase in future periods due to our continuing growth and in part to additional legal, accounting, insurance and other expenses we expect to incur as a result of being a public company.

Income Tax Expense. New Academy Holding Company, LLC is currently treated as a flow through entity for U.S. federal income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income. Our tax rate is almost entirely the result of state income taxes. After consummation of this offering, Academy Sports and Outdoors, Inc. will become subject to U.S. federal income taxes and we will be taxed at the prevailing corporate tax rates. We will be treated as a U.S. corporation for U.S. federal, state, and local income tax purposes after this offering and accordingly, a provision for income taxes will be recorded for the anticipated tax consequences of our reported results of operations for federal, state and local income taxes.

Results of Operations

Twenty-Six Weeks Ended August 1, 2020 Compared to Twenty-Six Weeks Ended August 3, 2019

The following table sets forth amounts and information derived from our unaudited statements of income for the periods indicated as follows (dollar amounts in thousands):

	Twenty-Six Weeks Ended				Change	
(In thousands, except percentages)	August 1, 2020		August 3, 2019		Dollars	Percent
Net sales	$2,742,721	100.0 %	$2,314,202	100.0 %	$428,519	18.5 %
Cost of goods sold	1,948,275	71.0 %	1,616,002	69.8 %	332,273	20.6 %
Gross margin	794,446	29.0 %	698,200	30.2 %	96,246	13.8 %
Selling, general and administrative expenses	596,636	21.8 %	614,172	26.5 %	(17,536)	(2.9)%
Operating income	197,810	7.2 %	84,028	3.6 %	113,782	135.4 %
Interest expense, net	48,088	1.8 %	52,586	2.3 %	(4,498)	(8.6)%
Gain on early retirement of debt, net	(7,831)	(0.3)%	(42,265)	(1.8)%	34,434	(81.5)%
Other (income), net	(1,621)	(0.1)%	(1,454)	(0.1)%	(167)	11.5 %
Income before income taxes	159,174	5.8 %	75,161	3.2 %	84,013	111.8 %
Income tax expense	1,518	0.1 %	1,408	0.1 %	110	7.8 %
Net income	$ 157,656	5.7 %	$ 73,753	3.2 %	$ 83,903	113.8 %

* Percentages in table may not sum properly due to rounding.

The following table summarizes store activity for the periods indicated:

	Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019
Beginning stores	259	253
Q1 new stores	—	1
Q2 new stores	—	2
Closed	—	(2)
Ending stores	259	254
Relocated stores	—	—
Renovated stores	—	9

Net Sales. Net sales increased $428.5 million, or 18.5%, for the first half 2020 compared to the first half 2019 as a result of additional net sales generated by new locations, as well as increased comparable sales of 15.9%. As of the end of first half 2020, we operated a net five additional stores as compared to the end of first half 2019 and we had a full benefit of three stores opened during the prior year-to-date. Collectively, these five additional stores accounted for a net $53.2 million increase in net sales for the first half 2020.

The 15.9% increase in comparable sales resulted from a 47.3% increase in the outdoors merchandise division and a 22.6% increase in the sports and recreation merchandise divisions, partially offset by declines of 6.5% and 3.3% in the footwear and apparel divisions, respectively. The effects of the COVID-19 pandemic during this period have caused significant increases in popularity of isolated recreation, outdoor and leisure activities that we believe have driven the increases in our outdoors and sports and recreation merchandise divisions. Likewise, we believe that the decreases in our apparel and footwear merchandise divisions were predominately driven by a temporary but significant shift in customer behavior at the substantial beginning of the COVID-19 pandemic, which saw customers focus on purchasing primarily isolated recreation, outdoor and leisure activity products in addition to "essential items." The outdoors division increase was driven primarily by strong sales in firearms, ammunition and fishing products. The sports and recreation division sales increased as a result of various products such as fitness equipment and accessories, bikes, patio and watersports, barbecues and grills, trampolines, outdoor games and play sets. These increases were partially offset by declining sales in the team sports category. The footwear division sales decreased due to declines in the team sports category and the work, casual and youth category. The apparel division decreased as a result of declines in the outdoor and seasonal apparel and licensed apparel products, partially offset by increases in the athletic apparel products. We believe that the substantial increase in e-commerce sales described below and ongoing improvements to our business, such as enhancements to our merchandising planning and allocation capabilities that began in February 2019 and the launch of the Academy Credit Card in May 2019, together with our big-box store format and the implementation of a number of safety measures within our stores in response to COVID-19 that helped facilitate our customers' ability to obtain the products they sought in a safe manner, contributed to the increase in comparable sales during this period.

E-commerce net sales increased $220.6 million, or 283.5%, for the first half 2020 compared to the first half 2019 and represented 10.9% of merchandise sales for the first half 2020 compared to 3.4% in the first half 2019. This increase was driven by a change in consumer shopping preferences and sales restrictions resulting from the COVID-19 pandemic. Additionally, enhancements to our website and omnichannel capabilities, such as the introduction of BOPIS at the end of the second quarter 2019 and rapid development of curbside fulfillment to further support BOPIS in the first half 2020, have positioned us well to benefit from such changing consumer preferences and contributed to the increase in e-commerce sales.

Gross Margin. Gross margin increased $96.2 million, or 13.8%, to $794.4 million for the first half 2020 from $698.2 million for the first half 2019. As a percentage of net sales, gross margin decreased 1.2% from 30.2% for the first half 2019 to 29.0% in the first half 2020. The decrease of 120 basis points in gross margin is primarily attributable to:

- 49 basis points of unfavorability related to import freight as a result of increased duties on products sold;
- 37 basis points of unfavorability as a result of decreased vendor allowances including new store allowances;
- 24 basis points of unfavorability related to increased inventory shrinkage; and
- 22 basis points of unfavorability in merchandise margins from higher first half 2020 sales of lower margin goods.

Selling, General and Administrative Expenses. SG&A expenses decreased $17.5 million, or 2.9%, to $596.6 million in the first half 2020 from $614.2 million in the first half 2019. As a percentage of net sales, SG&A expenses were down 4.7% to 21.8% in the first half 2020 compared to 26.5% in the first half 2019. The decrease of 470 basis points in SG&A is primarily attributable to:

- 188 basis point decrease in employee costs as a result of leverage and a reduction of costs that are primarily wage related from temporary salary cuts, reduction of hours and furloughs and permanent headcount reductions, partially offset by increased incentive compensation during the first half 2020;
- 115 basis point decrease in advertising due to leverage and reduced marketing and promotional activities; and
- various other declines as a result of leveraging SG&A costs on increased sales.

Interest Expense. Interest expense decreased $4.5 million, or 8.6%, in the first half 2020 when compared to the first half 2019, primarily as a result of a lower outstanding principal balance and interest rates on our 2015 Term Loan Facility from prior year and current year principal repurchases of $147.7 million and $23.9 million, respectively, partially offset by higher interest on our ABL Facility due to a higher average outstanding balance.

Gain on early retirement of debt, net. Gain on early retirement of debt, net decreased $34.4 million, or 81.5%, to $7.8 million from $42.3 million in the first half 2019. During the first half 2020, we repurchased $23.9 million in principal on the 2015 Term Loan Facility, which was trading at a discount, in open market transactions for $16.0 million and recognized a net gain of $7.8 million. During the first half 2019, we repurchased $147.7 million in principal on the 2015 Term Loan Facility, which was trading at a discount, in open market transactions for $104.6 million and recognized a net gain of $42.3 million.

2019 (52 weeks) Compared to 2018 (52 weeks)

The following table sets forth amounts and information derived from our consolidated statements of income for the periods indicated as follows (dollar amounts in thousands):

(In thousands, except percentages)	Fiscal Year Ended February 1, 2020		Fiscal Year Ended February 2, 2019		Change Dollars	Change Percent
Net sales	$4,829,897	100.0%	$4,783,893	100.0%	$ 46,004	1.0%
Cost of goods sold	3,398,743	70.45%	3,415,941	71.4%	(17,198)	(0.5)%
Gross margin	1,431,154	29.65%	1,367,952	28.6%	63,202	4.6%
Selling, general and administrative expenses	1,251,733	25.95%	1,239,002	25.9%	12,731	1.0%
Operating income	179,421	3.75%	128,950	2.7%	50,471	39.1%
Interest expense, net	101,307	2.1%	108,652	2.3%	(7,345)	(6.8)%
Gain on early retirement of debt, net	(42,265)	(0.9)%	—	— %	(42,265)	NM
Other (income), net	(2,481)	(0.1)%	(3,095)	(0.1)%	614	(19.8)%
Income before income taxes	122,860	2.5%	23,393	0.5%	99,467	425.2%
Income tax expense	2,817	0.1%	1,951	0.0%	866	44.4%
Net income	$ 120,043	2.5%	$ 21,442	0.4%	$ 98,601	459.8%

* Percentages in table may not sum properly due to rounding.
** NM - Not meaningful

The following table summarizes store activity for the periods indicated:

	Fiscal Year Ended February 1, 2020	Fiscal Year Ended February 2, 2019
Beginning stores	253	244
Q1 new stores	1	2
Q2 new stores	2	3
Q3 new stores	5	4
Q4 new stores	—	—
Closed	(2)	—
Ending stores	259	253
Relocated stores	—	3
Renovated stores	11	14

Net Sales. Net sales increased $46.0 million, or 1.0%, in 2019 over the prior year. The 1.0% increase was driven primarily by additional net sales generated by new locations, partially offset by a decline in comparable sales of 0.7%. As of the end of 2019, we operated a net six additional stores compared to the end of 2018, and we had the full benefit of nine stores opened during the prior year. These stores generated sales of $84.8 million, or 1.8% of net sales.

The 0.7% comparable sales decline was driven by a 6.3% decrease in comparable sales from the sports and recreation merchandise division and a 3.1% decrease in the outdoors merchandise division. Declines in each category within the sports and recreation merchandise division, which includes team sports/fitness and recreation, were partially driven by planned exits in product types (such as certain outdoor games and electronics) that did not fit within our future assortment strategies during 2019. The outdoors merchandise division decreased as a result of declines from camping and cooking sales during 2019, as well as lower demand for firearms and ammunition during the first and second quarter 2019. These decreases were largely offset by a

comparable sales increase of 4.7% in apparel and 1.0% in footwear. The apparel merchandise division increased as a result of positive comparable sales across all categories, particularly in licensed apparel, outdoor and seasonal apparel, and athletic apparel. The increase in licensed apparel was largely attributable to sales from Major League Baseball, or MLB, which was driven by regional team playoff success. The footwear merchandise division comparable sales increased, which was the result of an increase in the work and casual footwear category, partially offset by a decrease in athletic footwear. Although we had an overall decrease in comparable sales in 2019, we had positive comparable sales in the back half of 2019. We believe that improvements to our business in the back half of 2019, such as improvements to our website and omnichannel capabilities, including the introduction of BOPIS in July 2019, continued enhancements to our merchandise planning and allocation capabilities, and the launch of the Academy Credit Card in May 2019 were key factors that saw the increase of comparable sales in the back half of 2019.

E-commerce sales increased $17.8 million, or 7.8%, in 2019 when compared to the prior year, and e-commerce sales represented 5.1% and 4.9% of merchandise sales for 2019 and 2018, respectively. This increase was driven by enhancements to our e-commerce platform, including the introduction of BOPIS at the end of the second quarter 2019, as well as changes in consumer shopping preferences.

Gross Margin. Gross margin for 2019 increased $63.2 million, or 4.6%, when compared to 2018. Our gross margin, as a percentage of net sales, was 29.6% in 2019 compared to 28.6% in 2018, an increase of 100 basis points. This increase is primarily due to:

- 78 basis points of favorability on merchandise margins from favorability in inventory valuation adjustments relative to the prior year;
- 34 basis points of favorability in e-commerce shipping due to reduced shipping rates and an overall reduction in shipping costs resulting from to the 2019 deployment of BOPIS; partially offset by
- 24 basis points of unfavorability related to import freight as a result of increased duties during 2019.

Selling, General and Administrative Expenses. SG&A expenses increased $12.7 million, or 1.0%, to $1,251.7 million in 2019 from $1,239.0 million in 2018. As a percentage of net sales, SG&A remained flat at 25.9% in 2019 compared to 2018. The notable changes within SG&A were as follows:

- 31 basis point increase in employee costs that are primarily driven by performance-based compensation and a net six new store openings since the end of the fourth quarter 2018; partially offset by a
- 27 basis point decrease in property and facility expense primarily as a result of prior year implementation expenditures from our profitability and growth initiatives related to energy savings.

Interest Expense. Interest expense decreased $7.3 million, or 6.8%, to $101.3 million in 2019 from $108.7 million in 2018, resulting primarily from a lower outstanding balance on our Term Loan Facility due to the principal repurchases of $147.7 million during 2019.

2018 (52 weeks) Compared to 2017 (53 weeks)

When a 52-week fiscal year follows a 53-week fiscal year, the comparable sales calculation is based on the prior fiscal year's sales shifted forward one week, as we believe this best approximates current trends in our business.

Fiscal Period	Basis	Current Year Comparable Period	Prior Year Comparable Period	Comparable Sales
2018	Comparable sales	Fifty-two weeks ended February 2, 2019	Fifty-two weeks ended February 3, 2018	(2.5)%
2017	Comparable sales	Fifty-two weeks ended January 27, 2018	Fifty-two weeks ended January 28, 2017	(5.2)%

The following table sets forth amounts and information derived from our consolidated statements of income for the periods indicated as follows (dollar amounts in thousands):

	Fiscal Year Ended				Change	
	February 2, 2019		February 3, 2018		Dollars	Percent
Net sales	$4,783,893	100.0%	$4,835,582	100.0%	$(51,689)	(1.1)%
Cost of goods sold	3,415,941	71.4%	3,436,618	71.1%	(20,677)	(0.6)%
Gross margin	1,367,952	28.6%	1,398,964	28.9%	(31,012)	(2.2)%
Selling, general and administrative expenses	1,239,002	25.9%	1,241,643	25.7%	(2,641)	(0.2)%
Operating income	128,950	2.7%	157,321	3.3%	(28,371)	(18.0)%
Interest expense, net	108,652	2.3%	104,857	2.2%	3,795	3.6%
Gain on early retirement of debt, net	—	— %	(6,294)	(0.1)%	6,294	NM
Other (income), net	(3,095)	(0.1)%	(2,524)	(0.1)%	(571)	22.6%
Income before income taxes	23,393	0.5%	61,282	1.3%	(37,889)	(61.8)%
Income tax expense	1,951	0.0%	2,781	0.1%	(830)	(29.8)%
Net income	$ 21,442	0.4%	$ 58,501	1.2%	$(37,059)	(63.3)%

* Percentages in table may not sum properly due to rounding.
** NM - Not meaningful

The following table summarizes store activity for the periods indicated:

	Fiscal Year Ended	
	February 2, 2019	February 3, 2018
Beginning stores	244	228
Q1 new stores	2	3
Q2 new stores	3	7
Q3 new stores	4	3
Q4 new stores	—	3
Closed	—	—
Ending stores	253	244
Relocated stores	3	1
Renovated stores	14	20

Net Sales. Net sales decreased $51.7 million, or 1.1%, in 2018 over the prior year. The 1.1% decrease was driven primarily by a decline in comparable sales of 2.5% and higher sales in 2017 from the 53rd week of $60.6 million. As of the end of 2018, we operated nine additional stores compared to the end of 2017 and we had the full benefit of 16 stores opened during the prior year. These stores generated sales of $134.9 million, or 2.8% of net sales.

The following disclosure has been updated to reflect the new merchandise division category and product reclassification completed in 2019. See “Business.”

The 2.5% comparable sales decline in 2018 was driven by a comparable sales decrease of 5.4% in the sports and recreation merchandise division and a 4.1% decrease in the outdoors merchandise division. The outdoors merchandise division experienced a decline in 2018 from the market saturation of specialized drinkware and related coolers, as well as market softness in firearms and ammunition. Also contributing to the decline in the outdoors merchandise division in 2018 was our planned assortment reduction in the camping category. The

decline in the sports and recreation merchandise division in 2018 was caused by declines in both the team sports/fitness and recreation categories. Both the apparel and footwear merchandise divisions comparable sales were relatively flat compared to the prior year with a decrease of 0.4% and an increase of 0.1%, respectively. Within the apparel merchandise division, licensed apparel decreased as we benefited in the prior year on MLB licensed apparel due to team playoff success within our footprint that was partially offset by an increase in outdoor and seasonal apparel. Within the footwear merchandise division, the increase was driven by an increase in work and casual footwear, partially offset by a decrease in athletic footwear.

E-commerce sales increased $40.5 million, or 21.2%, in 2018 when compared to the prior year, and e-commerce sales represented 4.9% and 4.0% of merchandise sales for 2018 and 2017, respectively. This increase was driven by changes in consumer shopping preferences, investments in digital advertising and increased promotional activity.

Gross Margin. Gross margin for 2018 decreased $31.0 million, or 2.2%, when compared to 2017. Our gross margin, as a percentage of net sales, was 28.6% in 2018 compared to 28.9% in 2017, a decrease of 30 basis points. This decrease is primarily due to:

- 33 basis points of unfavorability related to higher inventory overhead expense due to the prior year benefiting from substantial inventory purchases that lowered the inventory turnover rate and resultant overhead expensed;
- 21 basis points of unfavorability on freight due to increased domestic and international freight pricing and duties;
- 15 basis points of unfavorability on merchandise margins due to increased clearance and promotional activities, coupled with the growth of e-commerce sales; and partially offset by
- 34 basis points of favorability due to decreased inventory shrinkage.

Selling, General and Administrative Expenses. SG&A expenses decreased $2.6 million, or 0.2%, to $1,239.0 million in 2018 from $1,241.6 million in 2017. As a percentage of net sales, SG&A was 25.9% in 2018 compared to 25.7% in 2017. SG&A as a percentage of net sales increased 20 basis points primarily driven by:

- 39 basis point increase in property and facility expense due to operating nine additional stores since the end of 2017 and the full impact of 16 stores opened during 2017; and partially offset by
- 18 basis point decrease in professional fees related to our 2017 profitability and growth initiatives.

Interest Expense. Interest expense increased $3.8 million, or 3.6%, to $108.7 million in 2018 from $104.9 million in 2017, resulting primarily from rising interest rates on our Term Loan Facility, which was partially offset by more favorable positions on our interest rate swaps relative to 2017.

Non-GAAP Measures

Adjusted comparable sales

We calculate adjusted comparable sales by excluding from comparable sales additional sales associated with Houston Astros World Series appearances, additional sales of a product driven by free shipping promotion and sales from certain product categories, such as toys, luggage and electronics, that we exited in 2018.

Adjusted comparable sales is a non-GAAP financial measure. We use adjusted comparable sales as the basis for key operating decisions, such as allocation of receipts and inventory to particular categories. We believe that adjusted comparable sales assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our ongoing operating performance.

The following table provides a reconciliation of our comparable sales to our adjusted comparable sales for the periods presented:

	Fiscal Year Ended			Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Comparable sales	(0.7)%	(2.5)%	(5.2)%	15.9%	(4.3)%
Additional sales associated with Houston Astros World Series appearances	(0.4)%	0.7%	(0.8)%	—	—
Additional sales of a product driven by free shipping promotion	—	0.1%	(0.1)%	—	—
Sales from the exited product categories	0.5%	—	—	—	0.3%
Adjusted comparable sales	(0.6)%	(1.7)%	(6.1)%	15.9%	(4.0)%

Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow

We define Adjusted EBITDA as net income (loss) before interest expense, net, income tax expense and depreciation, amortization and impairment, further adjusted to exclude consulting fees, Adviser monitoring fees, stock based compensation expense, gain on early extinguishment of debt, net, severance and executive transition costs, costs related to the COVID-19 pandemic, inventory write-down adjustments associated with strategic merchandising initiative and other adjustments. We describe these adjustments reconciling net income (loss) to Adjusted EBITDA in the applicable table below. We define Adjusted Net Income (Loss) as net income (loss), plus consulting fees, Adviser monitoring fees, stock based compensation expense, gain on early extinguishment of debt, net, severance and executive transition costs, costs related to the COVID-19 pandemic, inventory write-down adjustments associated with strategic merchandising initiative and other adjustments, less the tax effect of these adjustments. We define Pro Forma Adjusted Net Income (Loss) as Adjusted Net Income (Loss) plus the estimated federal tax liability based on our proposed C-Corporation structure after this offering. We describe these adjustments reconciling net income (loss) to Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) in the applicable table below. We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities less net cash used in investing activities. We describe these adjustments reconciling net cash provided by operating activities to Adjusted Free Cash Flow in the applicable table below.

Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow have been presented in this prospectus as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. Management believes Adjusted Free Cash Flow is a useful measure of liquidity and an additional basis for assessing our ability to generate cash. Management uses Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish and award discretionary annual incentive compensation, to report our compliance with certain covenants in our debt agreements, and to compare our performance against that of other peer companies using similar measures.

Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Adjusted EBITDA,

Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or net cash provided by operating activities as a measure of liquidity, or any other performance measures derived in accordance with GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) should not be construed to imply that our future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our GAAP results in addition to using Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow supplementally.

Our Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow measures have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect costs or cash outlays for capital expenditures or contractual commitments;
- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt, and Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our debt;
- Adjusted EBITDA does not reflect period to period changes in taxes, income tax expense or the cash necessary to pay income taxes;
- Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Adjusted Free Cash Flow do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, Adjusted EBITDA, Adjusted Net Income (Loss), Pro Forma Adjusted Net Income (Loss) and Adjusted Free Cash Flow should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness.

The following tables provide reconciliations of net income (loss) to Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) for the periods presented:

	Fiscal Year Ended			Twenty-Six Weeks Ended	
Period length (In thousands)	February 1, 2020 52 weeks	February 2, 2019 52 weeks	February 3, 2018 53 weeks	August 1, 2020 26 weeks	August 3, 2019 26 weeks
Net income	$ 120,043	$ 21,442	$ 58,501	$157,656	$ 73,753
Interest expense, net	101,307	108,652	104,857	48,088	52,586
Income tax expense	2,817	1,951	2,781	1,518	1,408
Depreciation, amortization and impairment	117,254	134,190	135,680	54,151	59,097
Consulting fees (a)	3,601	949	10,263	92	3,280
Adviser monitoring fee (b)	3,636	3,522	3,387	1,840	1,760
Stock based compensation (c)	7,881	4,633	4,580	3,690	4,467
Gain on early extinguishment of debt, net	(42,265)	—	(6,294)	(7,831)	(42,265)
Severance and executive transition costs (d)	1,429	4,350	7,409	4,137	—
Costs related to the COVID-19 pandemic (e)	—	—	—	17,632	—
Inventory write-down adjustments associated with strategic merchandising initiative (f)	—	18,225	4,400	—	—
Other (g)	7,111	2,345	(10,144)	1,929	2,751
Adjusted EBITDA	$ 322,814	$ 300,259	$ 315,420	$282,902	$ 156,837

	Fiscal Year Ended			Twenty-Six Weeks Ended	
Period length (In thousands)	February 1, 2020 52 weeks	February 2, 2019 52 weeks	February 3, 2018 53 weeks	August 1, 2020 26 weeks	August 3, 2019 26 weeks
Net income	$ 120,043	$ 21,442	$ 58,501	$ 157,656	$ 73,753
Consulting fees (a)	3,601	949	10,263	92	3,280
Adviser monitoring fee (b)	3,636	3,522	3,387	1,840	1,760
Stock based compensation (c)	7,881	4,633	4,580	3,690	4,467
Gain on early extinguishment of debt, net	(42,265)	—	(6,294)	(7,831)	(42,265)
Severance and executive transition costs (d)	1,429	4,350	7,409	4,137	—
Costs related to the COVID-19 pandemic (e)	—	—	—	17,632	—
Inventory write-down adjustments associated with strategic merchandising initiative (f)	—	18,225	4,400	—	—
Other (g)	7,111	2,345	(10,144)	1,929	2,751
Tax effects of these adjustments (h)	33	(61)	(24)	(39)	54
Adjusted Net Income	$ 101,469	$ 55,405	$ 72,078	$ 179,106	$ 43,800
Estimated tax effect of change to C-Corporation status (i)	(25,542)	(14,067)	(18,346)	(44,262)	(11,063)
Pro Forma Adjusted Net Income	$ 75,927	$ 41,338	$ 53,732	$ 134,844	$ 32,737

(a) Represents outside consulting fees associated with our strategic cost savings and business optimization initiatives.

(b) Represents our contractual payments under our Monitoring Agreement with the Adviser. See “Certain Relationships and Related Party Transactions—Monitoring Agreement.”

(c) Represents non-cash charges related to the 2011 Equity Plan, which vary from period to period depending on certain factors such as timing and valuation of awards, achievement of performance targets and equity award forfeitures.

(d) Represents severance costs associated with executive leadership changes and enterprise-wide organizational changes.
(e) Represents costs incurred as a result of the COVID-19 pandemic, including temporary wage premiums, additional sick time, costs of additional cleaning supplies and third party cleaning services for the stores, corporate office and distribution centers, accelerated freight costs associated with shifting our inventory purchase earlier in the year to maintain stock, and legal fees associated with consulting in local jurisdictions.
(f) Represents inventory write-down adjustments in connection with our new merchandising strategy adopted as part of our strategic transformation, including exiting certain categories of products.
(g) Other adjustments include (representing deductions or additions to Adjusted EBITDA and Adjusted Net Income (Loss), as applicable) amounts that management believes are not representative of our operating performance, including investment income, net losses associated with Hurricane Harvey, additional profits associated with the 53rd week in fiscal year 2017, additional profits associated with Houston Astros World Series appearances, installation costs for energy savings associated with our profitability initiatives, store exit costs and other costs associated with strategic cost savings and business optimization initiatives.
(h) Represents the tax effect of the total adjustments made to arrive at Adjusted Net Income (Loss) at our historical tax rate.
(i) Represents the tax effect of Adjusted Net Income (Loss) at our estimated effective tax rate of 24.5%. We are currently treated as a flow through entity for U.S. federal and state income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income. After consummation of this offering, we will become subject to U.S. federal and state income taxes and be taxed at the prevailing corporate rates. Our actual federal tax rate, and our actual income tax liability, after this offering may be different from our assumed rate, and such difference may be material.

The following table provides a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow for the periods presented:

	Fiscal Year Ended			Twenty-Six Weeks Ended	
	February 1, 2020	February 2, 2019	February 3, 2018	August 1, 2020	August 3, 2019
Period length (In thousands)	52 weeks	52 weeks	53 weeks	13 weeks	13 weeks
Net cash provided by (used in) operating activities	$ 263,669	$ 198,481	$ 83,355	$773,621	$103,961
Net cash used in investing activities	(66,783)	(99,027)	(115,901)	(13,850)	(31,767)
Adjusted Free Cash Flow	$ 196,886	$ 99,454	$ (32,546)	$759,771	$ 72,194

Quarterly Results of Operations

The following table sets forth our historical quarterly results of operations as well as certain key metrics for each of our most recent nine fiscal quarters. This information should be read in conjunction with the audited consolidated financial statements and related notes thereto and unaudited condensed consolidated financial statements and related notes thereto, each included elsewhere in this prospectus.

	Thirteen Weeks Ended									
(In thousands)	August 1, 2020	May 2, 2020	February 1, 2020	November 2, 2019	August 3, 2019	May 4, 2019	February 2, 2019	November 3, 2018	August 4, 2018	May 5, 2018
Net sales	$1,606,420	$1,136,301	$ 1,370,492	$ 1,145,203	$1,237,410	$1,076,792	$ 1,342,018	$ 1,060,188	$1,262,207	$1,119,480
Gross margin	496,501	297,945	370,532	362,422	385,204	312,996	332,133	328,833	387,130	320,356
Selling, general and administrative expenses	312,713	283,923	328,315	309,246	312,570	301,602	326,365	300,195	317,164	295,278
Operating income	183,788	14,022	42,217	53,176	72,634	11,394	5,768	28,138	69,966	25,078
Interest expense, net	23,566	24,522	24,136	24,585	25,549	27,037	27,608	27,076	27,173	26,795
Gain on early retirement of debt, net	(7,831)	—	—	—	(1,127)	(41,138)	—	—	—	—
Net income (loss)	167,676	(10,020)	17,738	28,552	48,347	25,406	(21,458)	1,773	42,103	(976)
Comparable sales	27.0%	3.1%	0.3%	6.2%	(3.3)%	(5.6)%	(2.8)%	(6.0)%	(0.6)%	(0.9)%
Adjusted comparable sales	27.0%	3.1%	1.0%	4.9%	(2.9)%	(5.2)%	(1.0)%	(4.6)%	(0.6)%	(0.9)%
Adjusted EBITDA	229,645	53,257	77,218	88,759	107,249	49,588	62,172	64,567	109,087	64,433
Adjusted Net Income (Loss)	178,351	756	23,607	34,062	51,503	(7,703)	(724)	4,845	46,472	4,812
Pro Forma Adjusted Net Income (Loss)	134,404	440	17,599	25,590	38,668	(5,931)	(721)	3,663	34,760	3,635
Adjusted Free Cash Flow	$ 678,941	$ 80,830	$ 154,709	$ (30,017)	$ 122,680	$ (50,486)	$ 139,551	$ (108,232)	$ 45,878	$ 22,257

The following table provides reconciliation of comparable sales to adjusted comparable sales for the periods presented:

	Thirteen Weeks Ended									
	August 1, 2020	May 2, 2020	February 1, 2020	November 2, 2019	August 3, 2019	May 4, 2019	February 2, 2019	November 3, 2018	August 4, 2018	May 5, 2018
Comparable sales	27.0%	3.1%	0.3%	6.2%	(3.3)%	(5.6)%	(2.8)%	(6.0)%	(0.6)%	(0.9)%
Additional sales associated with Houston Astros World Series appearances	—	—	—	(1.6)%	—	—	1.5%	1.4%	—	—
Additional sales of a product driven by free shipping promotion	—	—	—	—	—	—	0.3%	—	—	—
Sales from the exited product categories	—	—	0.7%	0.3%	0.4%	0.4%	—	—	—	—
Adjusted comparable sales	27.0%	3.1%	1.0%	4.9%	(2.9)%	(5.2)%	(1.0)%	(4.6)%	(0.6)%	(0.9)%

The following tables provide reconciliation of net income (loss) to Adjusted EBITDA, Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income (Loss) for the periods presented:

	Thirteen Weeks Ended									
(In thousands)	August 1, 2020	May 2, 2020	February 1, 2020	November 2, 2019	August 3, 2019	May 4, 2019	February 2, 2019	November 3, 2018	August 4, 2018	May 5, 2018
Net income (loss)	$ 167,676	$(10,020)	$ 17,738	$ 28,552	$ 48,347	$ 25,406	$ (21,458)	$ 1,773	$ 42,103	$ (976)
Interest expense, net	23,566	24,522	24,136	24,585	25,549	27,037	27,608	27,076	27,173	26,795
Income tax expense	1,005	513	903	506	878	530	675	(27)	1,322	(19)
Depreciation, amortization and impairment	26,704	27,447	28,561	29,596	29,313	29,784	34,576	32,667	34,112	32,835
Consulting fees	36	56	84	237	328	2,952	6	196	506	241
Adviser monitoring fee	920	920	939	937	877	883	877	892	861	892
Stock based compensation	1,581	2,109	2,009	1,405	2,445	2,022	334	1,243	2,180	876
Gain on early extinguishment of debt, net	(7,831)	—	—	—	(1,127)	(41,138)	—	—	—	—
Severance and executive transition costs	3,909	228	192	1,237	—	—	3,239	134	55	923
Costs related to the COVID-19 pandemic	10,987	6,645	—	—	—	—	—	—	—	—
Inventory write-down adjustments associated with strategic merchandising initiative	—	—	—	—	—	—	18,225	—	—	—
Other	1,092	837	2,656	1,704	639	2,112	(1,910)	613	775	2,866
Adjusted EBITDA	$ 229,645	$ 53,257	$ 77,218	$ 88,759	$ 107,249	$ 49,588	$ 62,172	$ 64,567	$ 109,087	$ 64,433

(In thousands)	Thirteen Weeks Ended									
	August 1, 2020	May 2, 2020	February 1, 2020	November 2, 2019	August 3, 2019	May 4, 2019	February 2, 2019	November 3, 2018	August 4, 2018	May 5, 2018
Net income (loss)	$ 167,676	$(10,020)	$ 17,738	$ 28,552	$ 48,347	$ 25,406	$ (21,458)	$ 1,773	$ 42,103	$ (976)
Consulting fees	36	56	84	237	328	2,952	6	196	506	241
Adviser monitoring fee	920	920	939	937	877	883	877	892	861	892
Stock based compensation	1,581	2,109	2,009	1,405	2,445	2,022	334	1,243	2,180	876
Gain on early extinguishment of debt, net	(7,831)	—	—	—	(1,127)	(41,138)	—	—	—	—
Severance and executive transition costs	3,909	228	192	1,237	—	—	3,239	134	55	923
Costs related to the COVID-19 pandemic	10,987	6,645	—	—	—	—	—	—	—	—
Inventory write-down adjustments associated with strategic merchandising initiative	—	—	—	—	—	—	18,225	—	—	—
Other	1,092	837	2,656	1,704	639	2,112	(1,910)	613	775	2,866
Tax effects of these adjustments	(19)	(19)	(11)	(10)	(6)	60	(37)	(6)	(8)	(10)
Adjusted Net Income (Loss)	178,351	756	23,607	34,062	51,503	(7,703)	(724)	4,845	46,472	4,812
Estimated tax effect of change to C-Corporation status	(43,947)	(316)	(6,008)	(8,472)	(12,835)	1,772	3	(1,182)	(11,712)	(1,177)
Pro Forma Adjusted Net Income (Loss)	$ 134,404	$ 440	$ 17,599	$ 25,590	$ 38,668	$ (5,931)	$ (721)	$ 3,663	$ 34,760	$ 3,635

The following table provides a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow for the periods presented:

(In thousands)	Thirteen Weeks Ended									
	August 1, 2020	May 2, 2020	February 1, 2020	November 2, 2019	August 3, 2019	May 4, 2019	February 2, 2019	November 3, 2018	August 4, 2018	May 5, 2018
Net cash provided by (used in) operating activities	$682,865	$90,756	$ 168,913	$ (9,205)	$138,564	$(34,603)	$ 167,588	$ (83,563)	$ 73,127	$ 41,329
Net cash used in investing activities	(3,924)	(9,926)	(14,204)	(20,812)	(15,884)	(15,883)	(28,037)	(24,669)	(27,249)	(19,072)
Adjusted Free Cash Flow	$678,941	$80,830	$ 154,709	$ (30,017)	$122,680	$(50,486)	$ 139,551	$ (108,232)	$ 45,878	$ 22,257

Liquidity and Capital Resources

Sources and Uses of Liquidity

Historically, our principal sources of cash have included cash generated from operating activities and borrowings under our Term Loan Facility and ABL Facility. Our historical uses of cash have been primarily to fund operating activities, such as the purchase and growth of inventory, expansion of our sales and marketing activities and other working capital needs; for capital improvements and support of expansion plans, as well as various investments in store renovations, store fixtures and on-going infrastructure improvements; to pay our debt obligations and related interest expense; and associated with fluctuations in working capital due to timing differences of cash receipts and cash disbursements.

We are focused on navigating the challenges presented by COVID-19 through the preservation of our liquidity and management of cash flow through preemptive actions to enhance our ability to meet our short-term liquidity needs. We have taken various cost cutting measures to maximize operational cash flows. Such actions include, but are not limited to, reduction of discretionary spending, deferring or cancelling our planned expenses, revisiting and reprioritizing our strategic investments, and reducing our payroll costs, including temporary team member furloughs and pay cuts.

As of August 1, 2020, our cash and cash equivalents totaled $884.0 million. On August 28, 2020, we paid a $257.0 million one-time special distribution to our unitholders of record as of August 25, 2020, $248.0 million of which was paid with cash on hand and the remainder of which was distributed through an offset of outstanding loans receivable from certain unitholders as well as state income tax withholdings made on behalf of our unitholders. We expect to use existing cash balances, internally generated cash flows and available borrowings under our ABL Facility to fund anticipated capital expenditures, working capital needs and scheduled debt service costs and maturities over at least the next twelve months. The ABL Facility provides for these financing needs and other general corporate purposes, as well as to support certain letters of credit requirements. We may continue to use the ABL Facility to repay debt under the Term Loan Facility. Availability under the ABL Facility is subject to customary asset-backed loan borrowing base and availability provisions. Amounts outstanding under the ABL Facility may fluctuate materially during each quarter mainly due to cash flow from operations, normal changes in working capital, capital expenditures and debt service costs. Our availability under the ABL Facility during the peak borrowing days of 2019 and first quarter 2020 was ample to support our operations and service our requirements.

Liquidity information related to our ABL Facility is as follows as of and for the periods shown (in thousands, except days):

	Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019
Average funds drawn	$253,297	$ 50,689
Number of days with outstanding balance	99	131
Maximum daily amount outstanding	$500,000	$ 147,100
Minimum available borrowing capacity	$161,089	$ 796,550

	As of		
	August 1, 2020	February 1, 2020	August 3, 2019
Outstanding borrowings	$ —	$ —	$ 17,900
Issued letters of credit	$ 19,927	$ 15,927	$ 14,511
Available borrowing capacity	$694,110	$ 827,404	$923,956

Capital Expenditures

We expect capital expenditures for 2020 to be approximately $50.0 million. Approximately 65% of our planned cash outflow relate to investments in our corporate, e-commerce and information technology programs. Investments in existing stores and distribution centers is expected to account for approximately 30% of the planned cash outflow and the remaining 5% is expected to be utilized through investments in store remodels. We review forecasted capital expenditures throughout the year and will adjust or modify projects based on business conditions at that time.

Cash Flows for the Twenty-Six Weeks Ended August 1, 2020 and August 3, 2019

Our unaudited statements of cash flows for the periods shown are summarized as follows (in thousands):

	Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019
Net cash provided by operating activities	$773,621	$103,961
Net cash used in investing activities	(13,850)	(31,767)
Net cash used in financing activities	(25,127)	(95,795)
Net increase (decrease) in cash and cash equivalents	$734,644	$ (23,601)

Operating Activities. Net cash provided by operating activities consists primarily of net income adjusted for non-cash items, including depreciation and amortization, non-cash lease expense, stock based compensation, amortization of deferred loan and other costs, non-cash gain on early retirement of debt, net, and changes in assets and liabilities. Cash flows from operating activities are seasonal in our business. Typically, cash flows from operations are used to build inventory in advance of peak selling seasons, with the fourth quarter pre-holiday season inventory increase being the most significant.

Cash provided by operating activities in the first half 2020 increased $669.7 million, compared to the first half 2019. This increase in cash is attributable to a $544.3 million net increase in cash flows provided by operating assets and liabilities, $83.9 million increase in net income and a $41.5 million increase in non-cash charges. The increase in cash flows from operating assets and liabilities for the first half 2020 compared to the first half 2019 was primarily attributable to a $270.3 million decrease in merchandise inventories, net, due to inventory reductions from high sell-through in the first half 2020, coupled with an increase in inventory during the first half 2019, $259.6 million increase in accounts payable related to an increased inventory receipts during the first half 2020 and extensions of vendor payment terms and a $12.3 million increase in other long-term liabilities related to deferred payroll tax accruals. The increase from non-cash charges was primarily caused by a $34.4 million decrease in non-cash gains on the early retirement of debt, net resulting from lower first half 2020 principal repurchases of portions of our Term Loan Facility and a $12.6 million increase in non-cash lease expense due to timing of August rent payments and 40 lease extensions executed during the first half 2020.

Investing Activities. The following table shows the amounts of capital expenditures for each period indicated (in thousands):

	Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019
Capital expenditures	$13,850	$ 27,802

Cash used in investing activities decreased $17.9 million in the first half 2020 compared to the first half 2019. The decrease in cash used in investing activities is primarily due to an issuance of a $4.0 million note

receivable to a member in the first half 2019 and $14.0 million less capital expenditures due to a planned overall reduction in the first half 2020 led by a reduction in new stores and store remodeling.

Financing Activities. Cash used in financing activities increased $70.7 million in the first half 2020, compared to the first half 2019. The primary drivers of the decrease were a $88.6 million decrease in cash outflows related to lower current first half 2020 principal repurchases of portions of our Term Loan Facility and $17.9 million decreased net proceeds from our ABL Facility.

Cash Flows for 2019, 2018 and 2017:

Our consolidated statements of cash flows for the periods shown are summarized as follows (in thousands):

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Net cash provided by operating activities	$ 263,669	$ 198,481	$ 83,355
Net cash used in investing activities	(66,783)	(99,027)	(115,901)
Net cash provided by (used in) financing activities	(123,192)	(54,808)	8,514
Net increase (decrease) in cash and cash equivalents	$ 73,694	$ 44,646	$ (24,032)

Operating Activities. Cash provided by operating activities for 2019 increased $65.2 million compared to 2018. This increase is attributable to a $98.6 million increase in net income and a $16.9 million net increase in cash flows provided by operating assets and liabilities, partially offset by a $50.3 million net decrease in non-cash charges. The increase in cash flows from operating assets and liabilities for 2019 compared to 2018 was primarily attributable to a $67.1 million increase in cash flows provided by accounts payable related to timing of purchases from our prior year efforts to increase in-stock positions for early 2018, partially offset by a related $54.9 million decrease in cash flows provided by merchandise inventories. The decrease from non-cash charges was primarily caused by a $42.3 million net gain on the early retirement of debt from the repurchase of a portion of the Term Loan Facility in 2019.

Cash provided by operating activities in 2018 increased $115.1 million compared to 2017. This increase is attributable to a $148.7 million increase in cash flows provided by operating assets and liabilities and a $3.5 million increase in non-cash charges, partially offset by a $37.1 million decrease in net income. The increase in cash flows from operating assets and liabilities for 2018 compared to 2017 was primarily attributable to a $221.9 million decrease in merchandise inventories related to our prior year efforts to increase in-stock positions and investments in certain product categories, coupled with fewer new store openings in 2018 compared to 2017, partially offset by a $77.0 million related decrease in accounts payable.

Investing Activities. The following table shows the amounts of capital expenditures for each period indicated (in thousands):

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Capital expenditures	$ 62,818	$ 107,905	$ 132,126

Cash used in investing activities decreased $32.2 million in 2019 compared to 2018. The decrease in cash used in investing activities is primarily related to a $45.1 million decrease in capital expenditures related to decreasing store renovation expenditures, resulting from a combination of fewer renovations and reduced costs, fewer distribution center projects, lower costs associated with e-commerce enhancements related to BOPIS implementation and other website design costs, and fewer new store openings in 2019, partially offset by a $10.4 million decrease in proceeds received from sales of property and equipment in 2019.

Cash used in investing activities decreased $16.9 million in 2018 compared to 2017. The decrease in cash used in investing activities is primarily related to a $24.2 million decrease in capital expenditures primarily related to fewer new store openings and store renovations in 2018, partially offset by a $5.6 million decrease in proceeds received from the sale of property and equipment due to a decrease in reverse build-to-suit transactions in 2018 and an issuance of a $4.1 million note receivable to a member during the first quarter 2018.

Financing Activities. Cash used in financing activities increased $68.4 million in 2019 compared to 2018 primarily due to a $104.6 million increase in cash outflow related to the early retirement of a portion of the Term Loan Facility in 2019, partially offset by a $35.0 million increase in net cash inflow related to the ABL Facility from higher net repayments in 2018. Cash provided by financing activities decreased $63.3 million in 2018 compared to 2017 primarily due to a $70.0 million decrease in net proceeds from the ABL Facility resulting from fewer inventory purchases, a $10.4 million decrease in construction allowance receipts related to reverse build-to-suit transactions for new stores completed in 2017 and $2.8 million in debt issuance fees related to the ABL Facility in 2017, partially offset by a $19.7 million decrease due to the early retirement on a small portion of our Term Loan Facility of $19.7 million in 2017.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Our management bases its estimates on historical experience and other assumptions it believes to be reasonable under the circumstances. Actual results could differ significantly from those estimates.

Management evaluated the development and selection of our critical accounting policies and estimates and believes that the following involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position, and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on subsequent results of operations. Our most significant estimates and assumptions that materially affect the financial statements involve difficult, subjective or complex judgments by management. Given the global economic climate and additional unforeseen effects from the COVID-19 pandemic, these estimates are becoming more challenging, and actual results could differ materially from our estimates. More information on all of our significant accounting policies can be found in Note 2, *Summary of Significant Accounting Policies*, to our audited consolidated financial statements included elsewhere in this prospectus.

Merchandise Inventories, net

Merchandise inventories are valued at the lower of weighted average cost or net realizable value using the last-in first-out, or LIFO, method. Merchandise inventories include the direct cost of merchandise and capitalized costs related to procurement, warehousing and distribution and are reflected net of shrinkage, vendor allowances and other valuation accounts. We regularly review inventories and record a valuation adjustment when necessary such as for inventory that has a carrying value in excess of the net realizable value or for slow moving or obsolete inventory. As of February 1, 2020 and February 2, 2019, merchandise inventories valued at LIFO, including necessary valuation adjustments, approximated the cost of such inventories using the weighted average inventory method. The application of the LIFO inventory method did not result in any LIFO charges or credits affecting cost of sales in 2019, 2018 or 2017.

Impairment of Long-Lived Assets

We review the carrying value of long-lived assets, including property and equipment and finite-lived intangible assets, for indicators of impairment whenever events and circumstances indicate that the carrying

value of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the assets to the estimated undiscounted future cash flows expected to be generated by the use of the assets. If such assets are impaired, the impairment loss recognized is the amount by which the carrying amount of the assets exceeds its estimated fair value, which is typically calculated using discounted expected future cash flows. As a result of our assessment, we did not record an impairment of long-lived store assets in 2019. In 2018 and 2017, we impaired $1.4 million and $2.5 million, respectively, of long-lived store assets. These charges are included in SG&A expenses on the consolidated statements of income. See Note 6, *Fair Value Measurements,* to our audited consolidated financial statements included elsewhere in this prospectus.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the amounts assigned to assets acquired and liabilities assumed in a business combination. Goodwill is tested for impairment annually at the last day of our eleventh fiscal month, or more frequently if events or circumstances indicate that the carrying value of goodwill may not be recoverable. We test for goodwill at the reporting unit level, which is the operating segment level. We operate in one segment with one reporting unit.

The annual goodwill impairment test provides for the option of first performing a qualitative assessment to evaluate the existence of events and circumstances that would lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If such a conclusion is reached, we would then be required to perform a quantitative impairment assessment of goodwill. However, if the qualitative assessment leads to a determination that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then no further assessments are required.

Our quantitative assessment for determining the fair value of our reporting unit includes using an estimated discounted cash flow model (income approach) and market value approach. The output of this assessment is an estimated fair value for our reporting unit that is compared to its carrying value to determine whether an impairment charge is necessary. The income approach uses a discounted cash flow analysis of our projected future income, and the market value approach is based on earnings multiples for a comparable set of public companies.

These approaches use key input assumptions such as our projected future operating results, the discount rate, the weighting for each valuation approach and the comparable set of companies. A history of declining trends in our operating results such as comparable sales, gross margin, net income and cash flow from operations could impact these assumptions and serve as indicators of future impairment. There is significant judgment used in determining these assumptions and variability in the assumptions could cause us to reach a different conclusion on impairment.

In 2019, 2018 and 2017, we performed a quantitative assessment for the determination of impairment. Based on the results of these quantitative assessments, no impairment of goodwill existed for 2019, 2018 or 2017. As of February 1, 2020, we did not have a significant risk for goodwill impairment.

Intangible Assets

Intangible assets consist of the trade name of "Academy Sports + Outdoors", or the Trade Name, and our favorable leases. The favorable leases are accounted for as finite-lived assets and are amortized over their estimated useful economic lives. With the adoption of ASU 2016-02, "Leases (Topic 842)" and a series of related Accounting Standards Updates that followed, or collectively, the New Lease Standard, on February 3, 2019, the balance of the favorable lease rights, net was netted into the right-of-use assets on the balance sheet. See Note 14, *Leases,* to our audited consolidated financial statements included elsewhere in this prospectus. The Trade Name is expected to generate cash flows indefinitely and, therefore, is accounted for as an indefinite-lived asset not subject to amortization.

The Trade Name is tested for impairment annually at the last day of our eleventh fiscal month, or whenever events or circumstances indicate that the carrying amount of the Trade Name may not be recoverable. Impairment is calculated as the excess of the Trade Name's carrying value over its fair value. The fair value of the Trade Name is determined using the relief-from-royalty method, a variation of the income approach. This method assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these types of assets. Once a supportable royalty rate is determined, the rate is then applied to the projected revenues over the expected remaining life of the intangible assets to estimate the royalty savings. This approach is dependent on a number of factors, including estimates of future growth and trends, royalty rates, discount rates and other variables. The results of the 2019, 2018 and 2017 annual impairment tests indicated that the fair value of the Trade Name was in excess of its carrying value and no impairments existed. As of February 1, 2020, we did not have a significant risk for intangible asset impairment.

Recent Accounting Pronouncements

Leases

Effective February 3, 2019, we adopted the New Lease Standard, which requires that lessees recognize assets and liabilities arising from operating leases on the balance sheet and disclose key information about leasing arrangements.

We elected the practical expedient available to us under ASU 2018-11, "*Leases: Targeted Improvements"*, which allows us to apply the transition provision for the New Lease Standard at our adoption date instead of at the earliest comparative period presented in our financial statements. Adoption of the New Lease Standard resulted in approximately $1.2 billion of additional lease obligations and approximately $1.2 billion of right-of-use assets, which are reflected in the short-term and long-term liabilities and long-term assets sections of the balance sheet, respectively, as well as an cumulative-effect adjustment increase to the opening balance of retained earnings of approximately $5.1 million. See Note 14, *Leases,* to our audited consolidated financial statements included elsewhere in this prospectus. Adoption of the New Lease Standard did not impact our debt-covenant compliance or liquidity under our current agreements.

Off-Balance Sheet Arrangements

As of August 1, 2020, our off-balance sheet contractual obligations and commercial commitments relate to future minimum guaranteed contractual payments and letters of credit. As a result of the adoption of the New Lease Standard on February 3, 2019, we have recognized the right-of-use assets and related lease liabilities on the balance sheet and no longer consider these to be off-balance sheet arrangements.

We enter into letters of credit in the ordinary course of operating and financing activities. As of August 1, 2020, we had outstanding letters of credit of $29.7 million, of which $19.9 million were issued under our ABL Facility, primarily for insurance and foreign product purchases.

The following table details our letters of credit commitments as of August 1, 2020 (in thousands):

		Amount of Commitment Expiration Per Period			
	Total Amounts Committed	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Commercial Commitments:					
Letters of credit	$ 29,683	$24,886	$4,797	$—	$ —

Contractual Obligations and Commercial Commitments

The following table summarizes our significant contractual obligations and commercial commitments as of February 1, 2020 (in thousands):

	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Term Loan Facility(1)	$ 1,468,993	$ 34,116	$ 1,434,877	$ —	$ —
Term Loan Facility interest(2)	187,829	78,855	108,974	—	—
Interest rate swaps	8,106	6,130	1,976	—	—
ABL Facility	—	—	—	—	—
Operating leases(3)	1,933,954	196,088	385,932	353,219	998,715
Technology related commitments and other(4)	29,810	20,593	9,217	—	—
Monitoring agreement(5)	14,402	4,115	8,149	2,138	—
Sponsorship agreement and intellectual property commitments	7,685	4,156	2,010	920	599
Total contractual cash obligations	$ 3,650,779	$ 344,053	$ 1,951,135	$ 356,277	$ 999,314

(1) Principal amount excluding discount and debt issuance costs.
(2) Interest payments shown are approximated based on projected interest rates and do not give effect to interest rate swaps.
(3) Substantially all of our leases are operating leases. We lease store locations, distribution centers, office space and certain equipment under operating leases expiring between fiscal years 2020 and 2038. Operating lease obligations include future minimum lease payments under all of our non-cancelable operating leases at February 1, 2020.
(4) Amounts include technology related contractual commitments and other commitments such as construction commitments. The amounts included in the table are for executed contracts less amounts paid.
(5) Amounts represent our contractual payments under our Monitoring Agreement with the Adviser. See “Certain Relationships and Related Party Transactions—Monitoring Agreement.”

Quantitative And Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to changes in interest rates primarily results from our ABL Facility and Term Loan Facility, as these borrowings have variable interest rates. The detrimental effect of a hypothetical 100 basis point increase in interest rates on current borrowings under the ABL Facility and Term Loan Facility would be to reduce income before income taxes by approximately $5.0 million, net of fixed rate interest rate swaps, for 2019.

Inflation

Inflationary factors such as increases in the costs of our products and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and selling, general and administrative expenses as a percentage of net sales if the selling prices of our products do not increase with these increased costs.

BUSINESS

Who We Are

Academy Sports + Outdoors is one of the leading full-line sporting goods and outdoor recreation retailers in the United States. We estimate that we served 30 million unique customers and completed approximately 80 million transactions in 2019 across our seamless omnichannel platform and highly productive stores, resulting in net sales of $4.8 billion and making us the largest value-oriented sporting goods and outdoor recreation retailer in the country. We have continually increased our market share by expanding our leadership in fast-growing merchandise categories and offering a broad, value-oriented assortment with deep and localized customer connections.

We believe the following key attributes differentiate us from our competitors:

- Value-based assortment that enables our customers to participate and have fun, no matter their budget.
- Broad assortment that extends beyond sporting goods and apparel to outdoor recreation.
- Emerging, rapidly growing and profitable omnichannel strategy that leverages our strong BOPIS and shipping fulfillment capabilities.
- Strong customer loyalty, with opportunities to increase penetration in existing markets.
- Regional focus in the southern United States with a strong and growing presence in six of the top 10 fastest-growing MSAs.
- Core customers comprising active families that we support with one-stop shop convenience.
- Significant whitespace opportunity for both in-fill and adjacent geographies and new markets.
- Strong financial profile with accelerating performance and attractive cash flow generation.

Originally founded in 1938 as a family business in Texas, we have grown to 259 stores across 16 contiguous states, primarily in the southern United States. Our mission is to provide “Fun for All” and fulfill this mission with a localized merchandising strategy and value proposition that deeply connect with a broad range of consumers. Our product assortment focuses on key categories of outdoor, apparel, footwear and sports & recreation (representing 32%, 29%, 21% and 18% of our 2019 net sales, respectively) through both leading national brands and a portfolio of 17 owned brands, which go well beyond traditional sporting goods and apparel offerings.

Our retail locations range in size from approximately 40,000 to 130,000 gross square feet, with an average size of approximately 70,000 gross square feet, and have no mall exposure. Our box size and layout create a spacious in-store experience for the current shopping environment and easily accessible front of store checkout that drives efficiency for our BOPIS and curbside pickup customers. Our stores are supported by over 20,000 knowledgeable team members offering a high-touch service element. Our stores have remained open during the COVID-19 pandemic as a result of our essential product offering and enhanced safety measures, resulting in continued market share gains and greater visibility in newer markets to the Academy brand and increased community connections. We operate three distribution centers that service our stores and our growing e-commerce platform, which reaches 47 states today. We have significant new store whitespace and our disciplined approach to store openings has allowed most stores to achieve profitability within the first twelve months of opening a store. We are continually assessing the number of locations available that could accommodate our preferred size of stores in markets we would consider and we expect to open eight to 10 new stores per year, starting in 2022, which is similar to our growth rates from 2018 to 2019.

We are active members of the communities in which we operate. We have a strong and growing presence in four of the top five, and six of the top 10, fastest-growing MSAs, in the United States, including Dallas, Houston, Atlanta, Austin, Charlotte and San Antonio. Our long-time customers have grown up with the Academy brand over time and pass their passion for us on to the next generation, enabling us to benefit from strong customer loyalty and shopping frequency in our embedded regional markets.

Our broad assortment appeals to all ages, incomes and aspirations, including beginning and advanced athletes, families enjoying outdoor recreation and enthusiasts pursuing their passion for sports and the outdoors. We enable our customers to enjoy a variety of sports and outdoors activities, whether they are trying out a new sport, tailgating for a sporting event or hosting a family barbecue. We enhance our customers' shopping experience through our knowledgeable and passionate team members and value-added store services, making us a preferred, one-stop shopping destination. We carefully tailor our products and services to meet local needs and offer our customers memorable experiences that help us maintain lasting emotional connections with our loyal customer base and the communities we serve.

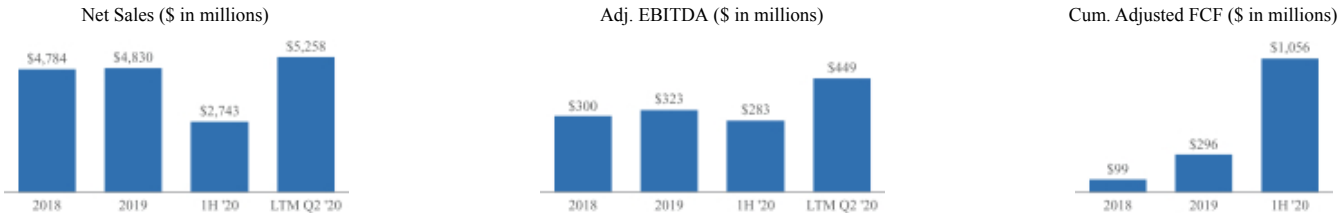
We sell a range of sporting and outdoor recreation products. Our strong merchandise assortment is anchored by our broad offering of year-round items, such as fitness equipment and apparel, work and casual wear, folding chairs, wagons and tents, training and running shoes and coolers. We also carry a deep selection of seasonal items, such as sports equipment and apparel, seasonal wear and accessories, hunting and fishing equipment and apparel, patio furniture, trampolines, play sets, bicycles and severe weather supplies. We provide locally relevant offerings, such as crawfish boilers in Louisiana, licensed apparel for area sports fans, baits and lures for area fishing spots and beach towels in coastal markets. Our value-based assortment also includes exclusive products from our portfolio of 17 owned brands. Nearly 20% of our 2019 sales were from our owned brands, such as Magellan Outdoors and BCG, which offer a distinct offering to our customers and approximately 60% of our customers purchased an owned brand item from us in 2019. Our merchandising creates a balanced sales mix throughout the year with no single season accounting for more than 28% of our annual sales.

Our stores deliver industry-leading unit sales and profitability, including 2019 net sales per store of $18.7 million, average sales per square foot of $264, and average EBITDA per store of $1.3 million. Our customers love the Academy store shopping experience because they are able to easily find, learn about, feel, try on and walk out with their favorite items. Our one-stop, convenient store layout, together with our highly trained team members offering value-added customer services, drive strong and consistent store foot traffic and transaction volume, with our average customers visiting our stores two to four times per year and our best customers visiting our stores nine times per year. The majority of our stores are located in high-traffic shopping centers, while none of the stores are located in, or anchored to, malls.

Our emerging, profitable e-commerce platform that leverages our strong BOPIS and shipping fulfillment capabilities has achieved year-over-year sales growth of 8% and 284% during 2019 and the first half 2020, respectively. Our e-commerce sales represented 5% and 11% of our merchandise sales in 2019 and the first half 2020, respectively. We are deepening our customer relationships, further integrating our e-commerce platform with our stores and driving operating efficiencies by developing our omnichannel capabilities. Our BOPIS program, launched in 2019, accounted for approximately 24% and 50% of our e-commerce sales during 2019 and the first half 2020, respectively, and allows customers to place an order on our website and pick up their product at a desired location, either in-store or curbside. Our website also serves as a platform for marketing and product education, enhancing our customer experience and driving traffic to our stores. For example, our website includes an "Expert Advice" page, which provides articles, tips, advice and links to video demonstrations on how to best select, use and get the most out of our products. Our website is introducing new customers to the Academy brand, with approximately 25% of our e-commerce sales during first half 2020 coming from new households.

We serve our communities by supporting events, programs and organizations that help make a positive impact, including the sponsorship of over 1,500 local sports teams. We promote and encourage safety and responsibility, so that everyone can feel confident and comfortable doing what they love, by offering products and information that enable our customers to be smart, responsible and safe. We have a long history of providing essential products for crisis preparedness and have helped our communities, customers and team members through various natural disasters and crises. For example, during Hurricane Harvey, we provided first responders with boats, paddles, ponchos, sleeping bags, air beds, backpacks and fresh clothes, as well as a safe, dry place to camp on our corporate campus. During the ongoing COVID-19 pandemic, we have donated emergency ponchos and footwear for health care workers to use as personal protective equipment. By providing our communities with the right gear and knowledge, promoting safety and responsibility and being there in times of need, we help to solidify our role as a trusted partner where we operate and to better enable our customers to improve their quality of life.

We finished the twelve months ended August 1, 2020 with approximately $5.3 billion in sales, $204 million of net income and $449 million in Adjusted EBITDA. Although comparable sales have been negative for the past three fiscal years, we have seen four consecutive quarters of positive comparable sales as of second quarter 2020. In addition, second quarter 2020 reflected our fourth consecutive quarter of Adjusted EBITDA growth and our fifth consecutive quarter of Adjusted Free Cash Flow growth. We earned net income of $21 million, $120 million and $204 million and Pro Forma Adjusted Net Income of $41 million, $76 million and $178 million in 2018, 2019 and the twelve months ended August 1, 2020, respectively, which included $158 million of net income and $135 million of Pro Forma Adjusted Net Income for first half 2020. See “Summary—Summary Historical Consolidated Financial and Other Data” for definitions of Adjusted EBITDA, Pro Forma Adjusted Net Income and Adjusted Free Cash Flow and reconciliations of Adjusted EBITDA and Pro Forma Adjusted Net Income to net income and Adjusted Free Cash Flow to net cash provided by operating activities.



Our Performance Improvement Initiatives

We have made significant progress on several key performance improvement initiatives that drove positive comparable sales and Adjusted EBITDA growth in the last four consecutive quarters ended August 1, 2020, and created a foundation for our future growth. These key initiatives include:

- *Strengthened leadership team* – Our leadership team comprises nine highly experienced and proven individuals, six of whom joined Academy from 2017 to 2018, led by our Chief Executive Officer and including our Chief Financial Officer, Chief Merchandising Officer, EVP of Retail Operations, SVP of Omnichannel, and Chief Information Officer. Our leadership team also recently demonstrated its ability to adapt, operate and gain market share and new customers during the most challenging of retail environments, including its ability to safely operate our stores and distribution centers, source and deliver our merchandise, and manage our liquidity and expenses in all elements of our business during the COVID-19 pandemic.
- *Build omnichannel* – After investing approximately $50 million over the last three years in our omnichannel capabilities, we launched several new omnichannel initiatives in 2019, including our BOPIS program and new website design, content and functionality. While still early in our omnichannel strategy, we have built a profitable omnichannel business that is poised for continued growth and improvement of capabilities.
- *Localized merchandising* – Since 2018, we improved the localization of our assortment across selected inventory offerings. For example, a crawfish boiler sells well in Louisiana, but not in North Carolina, and our fishing assortment sells better in stores with closer proximity to fishing venues. This initiative resulted in an improved customer shopping experience and increased sales.

- *Category focus* – In 2019, we improved and focused our assortments in priority product categories, such as team sports, fishing and outdoors, while exiting certain other product categories, such as luggage, electronics and toys, that were less profitable or unprofitable, slower moving, and not core to our sporting goods and outdoor offering.
- *Enhance store optimization* – We leverage technology to enable our store team members to better manage, prioritize and reduce tasks to give them more time to engage in customer service, thereby increasing our productivity and sales conversion.
- *Digital marketing program* – During the last two years, we shifted our primary marketing focus from print to digital marketing. Our improved website also supports our stores with digital marketing and our BOPIS program. Each of these initiatives has given us a closer connection with our customers.
- *Implement loyalty program* – We launched the Academy Credit Card program in May 2019, which constituted approximately 4% of first half 2020 net sales. Academy Credit Card represents a significant opportunity to build customer loyalty, as our Academy Credit Card customers both spend more per trip and visit our stores more often.
- *Programmatic inventory management* – We implemented a new disciplined price markdown strategy that has improved our margins and inventory management, as well as a new merchandise planning and allocation system that enables us to target inventory by store market to allow us to localize our offerings and sizes. This along with automated inventory ordering drove a significant amount of our margin expansion and improved inventory turns from 2.68x in 2017 to 3.36x for the twelve months ended August 1, 2020.
- *Develop small box format* – We opened our first small format store (approximately 40,000 square feet) in Dallas, Texas in 2019. We believe this new smaller format store allows us to open new stores in urban and less dense areas. During first half 2020, this smaller format store experienced approximately 25% higher sales per square foot and 13% higher inventory turns than the average of all Academy stores, the latter of which had $150 sales per square foot and 2.44x inventory turns. We evaluate performance inclusive of store sales, as well as BOPIS sales and other fulfilled sales from the location.

More recently, as a result of the COVID-19 pandemic, consumers are spending more time at and around home engaging in recreation and leisure activities that include our key categories. The outdoor recreation industry, in particular, has tailwinds arising out of the COVID-19 pandemic, as indicated by a survey from Civic Science, stating 43% of Americans expect to be doing more outdoor recreational activities in the future in order to facilitate social distancing. We expect that this will continue throughout the duration of the pandemic and will result in a long-term increase to our customer base. The industry has seen unprecedented increases in participation across several categories which we consider to be our “power categories.” This includes outdoor (comprised of camping, hiking and kayaking), running, fitness and team sports, which saw participation increases of 9%, 3%, 3% and 5%, respectively, from 2014 to 2018. According to Allied Market Research, sales growth from 2019 through 2027 in categories we participate, such as outdoor, team sports, apparel and footwear, is expected to grow approximately 6% per annum. We have invested in and built our operating platforms over the last several years and, coupled with our product offering and accessible stores, have laid the foundation for our future growth and success in this environment. It is difficult to ascertain with precision what portion of our increased comparable sales during the first half of 2020 is attributable to the increase in e-commerce sales due to the COVID-19 pandemic as compared to the impact of the business improvements described above.

Our Industry

We compete in a $70 billion fragmented market of retailers that sell sporting goods, outdoor recreation products, fan shop, apparel, footwear and other nontraditional sporting goods and general merchandise, such as casual and work apparel, barbecue and cooking equipment, patio furniture, outdoor games, severe weather supplies and pet care.

The retail business is highly competitive based on many variables including price, product assortment, customer service, omnichannel experience and store locations.

The retail sporting goods and outdoor recreation retail industry comprises six principal categories of retailers:

- *Mass general merchants* (examples: Walmart, Kohl's and Target) generally range in size from 50,000 to over 200,000 square feet and are typically located in shopping centers, free-standing sites or regional malls. Sporting goods merchandise and apparel and outdoor recreation products may represent a small portion of the total merchandise in these stores.
- *Large format sporting goods stores* (examples: Dick's Sporting Goods and Scheels) generally range in size from 20,000 to over 100,000 square feet and offer a broad selection of sporting goods and outdoor recreation merchandise.
- *Traditional sporting goods stores* (examples: Hibbett Sports and Big 5 Sporting Goods) generally range in size from 5,000 to 20,000 square feet and are frequently located in regional malls and shopping centers and typically carry a varied assortment of primarily sporting goods merchandise.
- *Specialty outdoor retailers* (examples: Bass Pro Shop/Cabela's and Sportsman's Warehouse) generally range in size from 7,500 to over 100,000 square feet and typically focus on specific categories such as outdoor recreation.
- *Specialty footwear retailers* (examples: Foot Locker, Boot Barn and The Finish Line) generally range in size from 2,000 to 20,000 square feet and typically focus on specific categories such as athletic footwear.
- *Catalogue & Internet retailers* (examples: Amazon and eBay) do not typically operate brick and mortar stores and primarily rely on delivery of goods. Sporting goods merchandise and apparel and outdoor recreation products may represent a small portion of the total merchandise on their websites.

Our primary competitors are large format sporting goods stores and mass general merchants that offer sporting goods, outdoor recreation products and other lifestyle and recreational merchandise.

While our average store size of approximately 70,000 square feet positions us as a large format store, our extensive and diverse assortment and everyday value proposition differentiate us from our competitors and enable us to take market share from each of these categories. For instance, our broad selection gives us a competitive advantage over value-based mass general merchants, which typically only carry a narrow selection of lower-end sporting goods and lack our access to national brands, and small traditional sporting goods stores, which do not carry our broad assortment or category depth. Additionally, our broader assortment and value-based pricing give us an advantage over the specialty retailers, which typically offer their more limited assortment at premium prices.

The overall U.S. sporting goods and outdoors recreation industry is constantly evolving and demand for certain sports and outdoors recreation goods may increase or decrease depending upon the economics, demographics or popularity of each activity. We monitor local demographics and buying trends and tailor our merchandise assortment to the preferences of the local community. As interests change, our broad selection allows us to adapt to shifts and expand or contract our product mix to meet the changing customer demand. Over the last two years, there have been a number of market trends and tailwinds in our favor. We believe we are well positioned to capture the demand from the rising popularity of fast growing trends, including athleisure wear, insulated coolers and cups and outdoor recreation, such as fishing. Additionally, we benefit from recent shifting of customer spend towards in-home health and wellness and dedicating more time to memory-making experiences. More recently, as a result of the COVID-19 pandemic, consumers are spending more time at and around home engaging in isolated recreation and leisure activities that we support and, we expect that this will

continue throughout the duration of the pandemic and will result in a long-term increase in our customer base. The industry has seen unprecedented increases in participation across several categories which we consider to be our "power categories." This includes outdoor (comprised of camping, hiking and kayaking), running, fitness and team sports, which saw participation increases of 9%, 3%, 3% and 5%, respectively, from 2014 to 2018. According to Allied Market Research, sales growth from 2019 through 2027 in categories we participate, such as outdoor, team sports, apparel and footwear, is expected to grow approximately 6% per annum. The rising popularity in loyalty to premium brands, and importance of experience for customers also serve as constructive tailwinds to our business.

We believe we are well positioned to capture an increasing portion of the wallets of important growing demographics, such as female and Hispanic customers. Female customers constitute a large and growing portion of our business (49% of our customers in 2019, up from 47% in 2018), with our targeted and diverse merchandise that consciously supports women's active interests. In addition, mothers who shop with us are not only buying for themselves, but for their family as well. We believe our footprint and localized offerings also position us well to serve the significant growth of the Hispanic population (15% of our customers in 2019, up from 14% in 2018), the nation's fastest-growing demographic. Currently, we have stores in four of the top eight fastest growing Hispanic MSAs in the United States, including Houston, Dallas, Orlando, and San Antonio.

We have proven to be adaptive through periods of significant industry transformation. As consolidations and e-commerce disruption have threatened and, in some cases, played a role in shutting down some of our peers, we have taken advantage of these changes by taking market share. Our value-based operating strategy and expansive assortment beyond traditional sporting goods, such as our outdoor gear and work wear categories, have been keys to our success, because they provide a one-stop shop for our customers who are searching for assortment, value and convenience.

Our Competitive Strengths

We attribute our success to the following competitive strengths:

Regional leader in growing industry

We are the second largest full-line sporting goods and outdoor recreation retailer in the United States, with 2019 net sales of $4.8 billion. We believe our stores are well positioned geographically, with a strong and growing presence in six of the top 10 fastest-growing MSAs, including Dallas, Houston, Atlanta, Austin, Charlotte and San Antonio. As of August 1, 2020, 29% of our stores are in four of the top five fastest-growing MSAs. This deep penetration of our established markets results in high customer awareness of, and loyalty to, the Academy name and frequent visits to our conveniently located stores.

The size of the sporting goods and outdoor recreation industry was estimated at $70 billion in the United States in 2018, and it is growing. According to Allied Market Research, sales growth from 2019 through 2027 in categories we participate, such as outdoor, team sports, apparel and footwear, is expected to grow approximately 6% per annum.

Broad assortment and compelling value proposition across the spectrum

We believe we sit in a sweet-spot of consumer demand, offering a broad, value-based assortment of sporting goods and outdoor recreation products, so our customers can participate and have fun, no matter their budget. Sporting goods shoppers consistently rate us as the top retailer for offering sporting and outdoor recreation products for a wide range of customers and being a one-stop shop. We carefully curate our products to provide the right assortment that appeal to beginners, experts, families and casual participants. In May 2020, over one-third of our customers tried a new sport or activity and came to Academy for the products they needed to get started in their new pursuit. We are the largest value-oriented sporting goods and outdoor recreation retailer in the United States. Our sporting goods customers ranked value as the most important driver in deciding where to shop and Academy was rated as the top retailer for value among sporting goods retailers. We maintain our

leading value-oriented position by offering customers extensive choices of "good, better and best" merchandise at a range of competitive prices, coupled with convenient omnichannel solutions, a one-stop shopping experience and helpful customer services, such as free assembly of certain products, product demonstrations, hunting and fishing license certifications, fishing line spooling and bulk product carrying out, among others. We offer a price-beat guarantee where, if our customers find a lower price on an identical, in-stock merchandise advertised in print by any local retailer or select online retailers, we will beat that price by 5%. Our effective merchandise mix and compelling value proposition allow us to cater to both the price-conscious shopper, such as the active parent of a household with several children participating in various sports, and the discriminating shopper, such as the hunting and fishing expert. We are for all.

Diversified mix of industry-leading national brands and owned brands

Our access to national brand and owned brand merchandise creates a comprehensive portfolio of value-based and diversified products, spanning various price-points, that differentiates our assortment from our peers. Our category, brand and price-point mix is unique to Academy and difficult to replicate at other retailers. Approximately 80% of our 2019 merchandise sales was comprised of national brand products, with the remainder coming from exclusive products in our portfolio of 17 owned brands. We have minimal product overlap with direct-to-consumer brands and competitors. No single brand we carry accounted for more than 12% of our 2019 sales.

We have premium access to hundreds of well-recognized national brands, such as Nike, Carhartt, adidas, Under Armour, Columbia Sportswear, North Face and Winchester, which are critical to our market penetration. These brands rely on us to broaden their consumer reach, which fosters a mutually beneficial relationship when it comes to pricing and assortment. We play a critical role in delivering customer volume for these brands, especially as mall-based retailers face further headwinds and our industry consolidates. Our national brand assortment spans across each brand's price spectrum beyond those of our competitors and we expand below the national brand price spectrum by complementing the assortment with our owned brands. As such, we receive favorable product exclusivity from leading suppliers.

Our owned brand portfolio consists of 17 brands, including Magellan Outdoors, BCG, Academy Sports + Outdoors and Outdoor Gourmet. Our owned brand strategy focuses on in-filling categories and price points that our national brand products may not satisfy. Our owned brand offerings support and complement our overall merchandising strategy due to limited price-point overlap with national brands. Our two largest owned brands, Magellan Outdoors and BCG, are among our fastest growing brands, growing year-over-year at 7.6% and 3.9% in 2019, respectively. Additionally, our owned brands generate strong brand equity and drive significant customer loyalty, as several of our exclusive products, such as the Academy-logo folding chair and folding wagon, are top-selling items. Approximately 60% of our customers purchased an owned brand item from us in 2019. Whether it is seeing a row of Academy-branded chairs at a softball game, or individuals wearing Magellan Outdoors shirts around town, our owned brands are worn and used throughout our footprint.

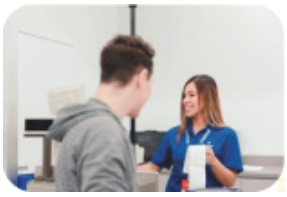
Differentiated in-store experience

Our differentiated in-store experience, convenient locations and our helpful team members ensure that our customers can rely on us on any given day or situation in our region to deliver the right product at a competitive price. We provide a localized in-store experience that allows us to deepen our customer relationships. We tailor our product assortment by store, season and market to enhance year-round profitability. For example, our customers expect us to carry the right baits and lures customized for the local fishing spots, such as heavier selections of saltwater lures in our coastal locations. Stores with different climates and seasonal patterns each receive an assortment that better matches the local conditions. Stores located near a university carry a large selection of that school's licensed apparel giving them a look and feel of the local bookstore, which appeals to the nearby loyal fans and customers. We consider crawfish cookers to be an absolute necessity for our customers in Louisiana, and beach towels are a stronger seller in coastal markets than they are in inland markets. Our customers often shop our stores for same-day-need purchases, such as before a big game with unexpected weather changes, or to purchase an add-on product that was forgotten on a day trip. We have developed

considerable expertise in identifying, stocking and selling a relevant assortment to meet the local needs and demands.

We provide an engaging customer shopping experience that drives customer traffic. Our visual merchandising strategy creates an entertaining and interactive in-store shopping experience for a broad range of shoppers. Our stores generally have consistent store layouts providing our customers with familiarity across our entire store base. Our in-store experience is further enhanced by the value-added customer service delivered by our highly trained and passionate staff. Value-added services we provide include free assembly of certain products, such as bicycles, grills and bows, fitness equipment demonstrations, issuances and renewals of hunting and fishing licenses, fishing line spooling and carrying bulk items to the car, among others. We sell many products, such as baseball bats and gloves, football helmets, fishing rods and reels, fitness equipment and bicycles, that require a "touch and feel" experience, as well as bulky items that would otherwise be difficult or costly to ship. We employ team members who we fondly refer to as our *Enthusiasts* –passionate local experts who are specially recruited and trained for category-specific positions. Our *Enthusiasts* use the products they sell and have the first-hand knowledge of the communities they serve, allowing them to advise and equip customers with products that suit the customers' specific needs and the nuances of the local environment. We believe our stores often serve as gathering spots, as our customers come back to engage with our *Enthusiasts* to share experiences and obtain further advice and assistance.

Our friendly and knowledgeable team members are a large reason our customers love shopping with us.



Large and loyal customer base

We endeavor to offer products for customers of all ages, incomes and aspirations across sporting and outdoor recreation activities, seasons and experience levels. As such, we have a balanced, year-round business and a large customer base. In 2019, we estimate we served 30 million unique customers and we completed approximately 80 million transactions, resulting in strong household penetration in our core markets.

Our customers love shopping at Academy. Our average customer visits our stores anywhere from two to four times per year and our best customers visit our stores nine times per year. Academy customers are loyal. Based on our customer surveys, approximately 30% of our customers' annual sporting goods, outdoor and recreation expenditures are made at Academy, in comparison to approximately 20% for our competitors that are large format sporting goods stores and specialty outdoor retailers and their customers. As of August 1, 2020, we estimate we have gained approximately two million new customers this year.

While we serve all customers, our core customers are young active families who are driven to have a life full of different sports and outdoors recreation activities. For these customers, fun is forever at their fingertips, and they constantly look for ways to create memories together as a family. Being a conveniently located, value-oriented, one-stop shop for fun merchandise is why these customers love to shop at Academy. When these families shop at Academy, they often split up to find the items for their respective activities and meet back together before checking out. Our core customers are more active shoppers – they shop us more often and are more likely to be omnichannel customers.

Fans and spectators also constitute a large part of our customer base. Academy-branded folding chairs and wagons are frequently spotted at any local sporting or spectator event. We are active members in our communities, sponsoring events for the NCAA Southeastern Conference, local events, such as the Bassmaster

Classic fishing tournament, and over 1,500 local sports teams. We also provide an exciting shopping experience for our communities following a major sports title or local team championship, such as a World Series or NCAA football championship, when we extend our local store hours late into the night to celebrate with our customers and meet their immediate need for a championship apparel or gear to display their team pride. These celebrations strengthen customer loyalty.

Highly experienced and passionate senior management team with a proven track record

Our company is led by a highly-accomplished senior management team with significant public market experience, a proven track record for driving operational efficiency, and a history of using customer data to improve our customer experience and drive our omnichannel strategy. Our senior management team has an average of 24 years of retail experience. Six out of the nine members of our senior management team, including our Chairman, President and Chief Executive Officer, Ken C. Hicks, were hired beginning early 2017 to lead the development and execution of our strategic growth and initiatives in merchandising, e-commerce and omnichannel, stores, information technology and finance. Together, our senior management has delivered strong results, with four consecutive quarters of positive comparable sales as of second quarter 2020, Adjusted EBITDA growth to $323 million in 2019, or 8%, compared to 2018, and Adjusted Free Cash Flow growth of $99 million in 2018 to $197 million in 2019.

Strong and adaptive financial performance through economic cycles

We have remained strong and adaptive over the years through a variety of economic cycles, including economic downturns. Our customers are loyal in any economic environment, and we believe they become even more loyal to our compelling value proposition when the economy is challenged, like during the current recessionary environment resulting from the COVID-19 pandemic. We find that customers will continue to pursue their wellness, interests and passions, regardless of the economic backdrop. As a result, we have gained market share during all economic cycles, including during April and May 2020. We attribute this to customers knowing we offer a broad assortment of the items they want during a down cycle at everyday value.

We have consistently demonstrated steady revenue growth, expanded profit margins and disciplined capital expenditures. We generated $4.8 billion in net sales, $120 million in net income and $323 million in Adjusted EBITDA in 2019. In 2019, we also generated $264 million of net cash provided by operating activities and $197 million in Adjusted Free Cash Flow, while limiting net capital expenditures to $63 million. We have reduced our net leverage ratio to 1.2x as of end of second quarter 2020 compared to 5.2x as of end of both 2017 and 2018 and 4.1x as of end of 2019.

We have a proven store model that has generated strong Adjusted Free Cash Flow, store-level profitability and return on invested capital. All of our 211 mature stores (stores opened longer than four years) were profitable on a four-wall basis for the twelve months ended August 1, 2020 and our new stores have average payback periods of four to five years.

Our Growth Strategy

We are focused on the following four growth drivers:

Leverage technology and content to drive our omnichannel strategy

Our e-commerce sales represented 5% and 11% of our merchandise sales for 2019 and for the first half 2020, respectively. E-commerce sales increased 406% from the prior quarter in first quarter 2020 and 210% from the prior quarter in second quarter 2020. Our goal is to increase our omnichannel penetration quickly and significantly. To meet this goal, since 2011, we have invested $225 million in omnichannel and information technology initiatives to improve our customers' online experience, with an emphasis on our mobile site and product information content. These investments have resulted in faster load times, more relevant search content, better site design, and a more-streamlined checkout process. We have also invested in omnichannel initiatives, such as BOPIS, curbside pickup and access to store inventory availability online.

Omnichannel offerings are becoming increasingly important, as our customers want options when they shop. During the first half 2020, our omnichannel customers spent 43% more than our store-only customers and 197% more than our online only customers. Since we launched our BOPIS program in 2019, we have seen significant e-commerce penetration that generates higher average order value and incremental in-store purchases. BOPIS orders accounted for 50% of all e-commerce sales during first half 2020. Our omnichannel platform also offers return-to-store capabilities for online orders, curbside fulfillment, the ability to place online orders in our stores if we are out of stock, and the ability to ship orders placed online from our retail locations. These capabilities help reduce the risk of lost sales and shorten delivery times for online orders while improving inventory productivity. We expect to launch our ship-to-store capabilities in third quarter 2020, which will continue to give our customers more options on how to shop Academy.

Our website also serves as the gateway to shopping in our stores. These customers leverage our website to learn more about the products and brands we sell, read reviews from other customers, compare prices and ensure their local Academy store has the inventory prior to heading to the store. Our website is also critical to reaching customers outside of our current store footprint. For the twelve months ended August 1, 2020, we reached approximately 6.7 million unique households, across 200 cities, in 44 states through ship-to-home orders made through our website. In 2019, 11% of our online transactions were ordered by customers in markets with no Academy stores. Our e-commerce platform's top ten out-of-store-footprint MSAs include adjacent markets, such as Tampa, Miami and Savannah. As we continue to bolster our omnichannel offerings, we expect to drive traffic to our stores and website and expand our reach beyond our store footprint.

Enhance customer engagement and increase retention

We believe we have a significant opportunity to continue to expand our customer base. Better understanding our customers' buying trends allows us to better target and cater to our customers. Our robust customer database has 38 million unique customers, and we continue to grow this through increased penetration of e-commerce sales and through the success of our Academy Credit Card program.

We utilize data obtained from our customer relationship management, or CRM, tools and targeted customer surveys. Our CRM tools enable us to create effective customer-targeting strategies. Our current CRM programs focus on welcoming our first-time customers, thanking our big spenders, reactivating our lapsed customers and cross-selling our category customers (including our hunting, sports equipment and recreation categories). With 38 million customers in our database, there is ample opportunity to increase our communication directly with our customers via one-on-one marketing. We are also leveraging the information from our approximately 80 million annual transactions to make more informed, localized decisions on promotion, marketing and inventory.

Online transactions are critical to helping us understand and analyze buying patterns. Data collected through our website allows us to personalize promotions for customers and recommend products based on purchase behavior. The Academy Credit Card program also provides data to track our customers' purchases across all channels, giving us the ability to better serve and target those customers. Launched in May 2019, the Academy Credit Card program constituted approximately 4% of first half 2020 net sales. Our customers are attracted to the Academy Credit Card because of its bank-funded 5% discount on every Academy purchase and free standard shipping on online orders of $15 or more. Academy Credit Card holders are responsible for paying all fees associated with having an Academy Credit Card, including any late fees, and we are responsible for paying all costs associated with shipping online orders of $15 or more purchased with an Academy Credit Card.

We believe we possess a significant amount of high quality customer data, which we can leverage to enhance customer engagement and retention and drive purchase conversion.

Enhance operational excellence

We intend to enhance profitability by improving our operational efficiencies. We will continue to optimize our merchandise presentation through strategic store remodeling and enhanced visual storytelling, improve our inventory management through disciplined pricing markdowns, and augment the customer experience through more efficient queuing and check out procedures.

Much of our margin expansion from 2017 to 2019 can be attributed to our improvements in inventory management. We can improve operations across our organization by optimizing our in-store inventory management and implementing automated re-ordering and labor scheduling. We have deployed several new tools to this end, which will enable us to further improve inventory handling and vendor management. For example, we have implemented third party programs to analyze our inventory stock throughout the year at every location. This implementation has allowed us to improve our inventory management in stores, increasing the average inventory turns from 2.68x in 2017 to 3.36x for the twelve months ended August 1, 2020, and has helped us to identify and exit certain product categories, such as luggage and toys.

We believe we can also enhance store operations through technology and personnel investments that will allow our team members to better manage and prioritize tasks, thereby increasing their productivity and sales conversion. These investments, for example, will reduce administrative tasks to enable more time for engaging in customer service.

Our supply chain initiatives include improving our logistics by leveraging our merchandising planning and assortment capabilities and facilitating product flow through our distribution centers. We use technology to track inventory daily and keep our distribution centers and stores in sync. Our data-driven process allows us to improve communication with our suppliers and ensure we are rightfully equipped with the correct inventory in our regional locations and has and will continue to help us to identify and exit certain product categories, such as luggage and toys. Although we believe these initiatives have helped us, we experienced a gross margin decline in the first quarter 2020 as a result of a shift in consumer preferences due to the COVID-19 pandemic and the related increased popularity in our isolated recreation, outdoor and leisure activity products, which are generally lower margin goods.

As our e-commerce sales continue to shift further towards BOPIS and curbside fulfillment, our overall omnichannel platform becomes more profitable, and we expect this trend to continue as we add more omnichannel solutions, such as ship-to-store, and further develop our omnichannel order execution and fulfillment capabilities.

Capitalize on substantial whitespace and in-fill opportunities

We have significant growth opportunities in both our core markets and outside of our footprint. We believe our real estate strategy has positioned us well for further expansion, and our track record has demonstrated that we can open and operate stores profitably. Our disciplined approach to new store openings has allowed most of our stores to achieve profitability within the first twelve months of opening a store. As of the end of first half 2020, we had 211 mature stores, and all were profitable on a four-wall basis for the twelve months ended August 1, 2020. We expect to open eight to 10 new stores per year starting in 2022, which is similar to our growth rates from 2018 to 2019.

In-fill market opportunity

We classify in-fill markets as regions where we already have a well-established presence. We believe we have an opportunity to expand into surrounding metro areas and more rural locations. Some examples include Dallas/Fort Worth, Atlanta, Raleigh-Durham, Charlotte, New Orleans and Jacksonville. We believe our in-fill opportunity currently includes approximately 120 locations that could accommodate our preferred size of stores in markets we would consider.

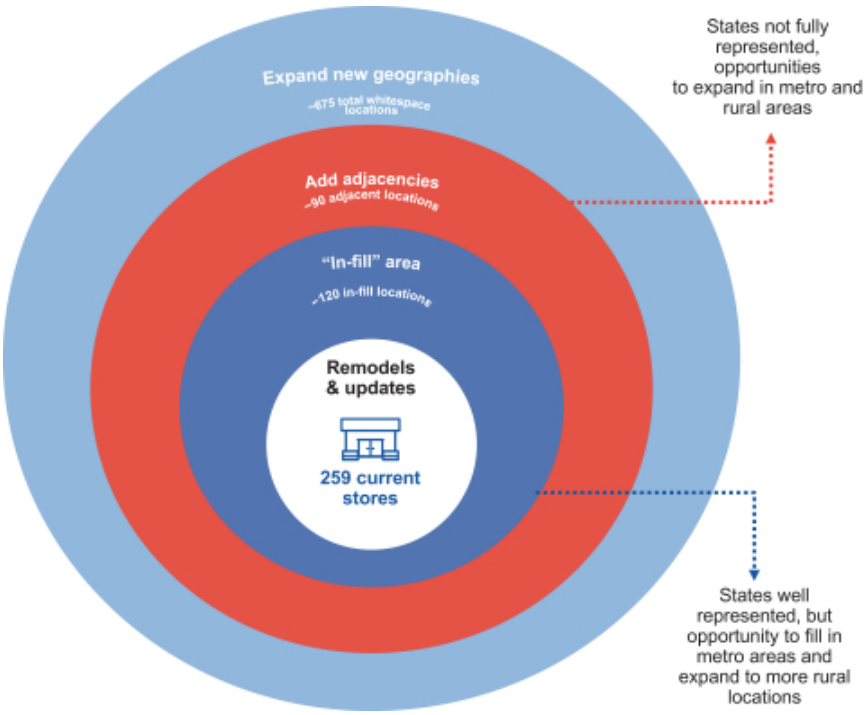
Adjacent market opportunity

We consider adjacent markets to include markets that are not fully represented. We believe these regions provide opportunities to expand in metro and rural areas that sit right outside of our current footprint. We believe our adjacent market opportunity currently includes approximately 90 locations that could accommodate our preferred size of stores in markets we would consider.

Greenfield opportunity

Beyond our in-fill and adjacent markets, we believe we have the opportunity to expand across the nation. We currently have store locations in 16 states, which leaves us substantial room for growth beyond our core geographies. We believe our greenfield opportunity currently includes approximately 675 locations that could accommodate our preferred size of stores in markets we would consider.

Significant growth opportunity



The majority of our store expansion is expected to be with our traditional box size of approximately 70,000 gross square feet. We have also recently tested a smaller store format, which is approximately 40% smaller than our average store, that we believe will be advantageous for in-fill markets and other metropolitan areas.

While we will continue to prioritize investments in our existing operations and omnichannel capabilities, we will continue to judiciously expand. We have online delivery capabilities in almost every state and will focus on disciplined new store openings. As we reach into new and existing markets, we expect our omnichannel platform to lead the way in our geographic expansion.

Recent Developments

We have demonstrated our ability to perform during periods of economic hardship, and the COVID-19 pandemic is no exception. Our diverse and essential offerings permitted our stores to remain open, which allowed us to safely serve both our existing customers and gain new customers during an uncertain time. With the ongoing pandemic, our customers' focus on health and wellness and outdoor recreation has amplified. Our customers are purchasing weights, yoga mats, treadmills and indoor cycles now more than ever to stay at home while maintaining their wellness. Families are buying backyard and driveway games, trampolines, patio seating and grills to spend more safe, quality time together at home. Outdoor enthusiasts and first-timers alike are buying fishing, hunting and camping gear to recreate outside at a safe distance.

Our stores range in size from approximately 40,000 to over 130,000 gross square feet, with an average size of approximately 70,000 gross square feet, which, together with our sophisticated social distancing and hygiene measures and curbside fulfillment of online orders, enable our customers to have a safe shopping experience. We have also benefitted from all of our locations not being tethered to malls. Mall traffic has continuously decreased over time, which has been exacerbated during the COVID-19 pandemic. Our stores are a single destination for shoppers to feel safe when visiting our stores. We believe our lack of reliance on malls has bolstered our performance, allows for much easier curbside pickup processes and increases traffic into our stores.

As consumers continue to spend less on travel and entertainment, our broad assortment of health and wellness-centered items at competitive prices position us well to continue taking share in this regard, and we believe our business can continue to benefit from the consistent growth in sports and outdoor goods spending.

Merchandising

Our merchandise consists of national brand products that we purchase and license from various vendors, owned brand products that we brand with our internal brands and exclusive license products that we purchase and license from vendors and carry exclusively. We have long-standing relationships with many of our suppliers and have partnered with them to grow our business over time. We have no history of material supply chain interruptions. In 2019, we purchased merchandise from approximately 1,300 vendors. For 2019, 2018 and 2017 no vendor represented more than 14%, 13% and 14% of our total purchases, respectively.

We carry a wide variety of national brand products such as Nike, Carhartt, adidas, Columbia Sportswear, North Face, Winchester, Brooks, Rawlings, Remington, Skechers, Under Armour and many more.

We offer a variety of products through our owned brand and exclusive license products such as apparel, footwear, barbecue equipment and outdoor equipment. Our owned brand products include brands such as Academy Sports + Outdoors, Magellan Outdoors, BCG, O'rageous and Outdoor Gourmet.

As of February 1, 2020, we generally organized our merchandise in four divisions made up of eleven categories as follows:

Division	Category (1)	Primary product types (1)
Outdoors	Camping and cooking	Outdoor cooking, coolers and drinkware, camping accessories, camping equipment, sunglasses, backpacks and sports bags
	Fishing	Marine equipment and fishing rods, reels, baits and equipment
	Shooting sports	Firearms, ammunition, archery and archery equipment, shooting accessories, optics, airguns and hunting equipment
Sports and Recreation	Team sports/fitness	Baseball, football, basketball, soccer, golf, racket sports, volleyball, fitness equipment, fitness accessories and nutrition
	Recreation	Patio equipment, wheeled goods (bicycles, skateboards and other ride-on toys), watersports, pet equipment, electronics and watches, and front-end (consumables, batteries, etc.)

Division	Category (1)	Primary product types (1)
Apparel	Outdoor and seasonal apparel	Outdoor apparel, seasonal apparel, denim, work apparel, camouflage apparel, waders, graphic t-shirts and accessories
	Youth apparel	Boys and girls outdoor and athletic apparel
	Athletic apparel	Sporting apparel, apparel for fitness and exercise and other accessories
	Licensed apparel	Professional and collegiate team licensed apparel and accessories
Footwear	Work, casual and youth footwear	Casual shoes and slippers, work and western boots, youth footwear, socks and hunting footwear
	Athletic footwear	Running shoes, athletic shoes, sport specific shoes and training shoes

(1) Certain products and categories were reclassified among categories and divisions during 2019 as compared to prior years in order to better align with our current merchandising strategy and view of the business. Changes in management's merchandise strategy and viewpoints could result in future reclassifications.

The following table sets forth the approximate amount of sales by merchandise divisions for the periods presented (amounts in thousands):

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Merchandise division sales(1)			
Outdoors	$ 1,522,985	$ 1,544,021	$ 1,583,183
Sports and recreation	859,868	900,347	939,464
Apparel	1,405,258	1,321,035	1,311,054
Footwear	1,021,603	997,692	986,887
Total merchandise sales(2)	4,809,714	4,763,095	4,820,588
Other sales(3)	20,183	20,798	14,994
Net sales	$ 4,829,897	$ 4,783,893	$ 4,835,582

(1) Certain products and categories were re-categorized among categories and divisions during 2019 in order to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions for 2018 and 2017 for comparability purposes.
(2) E-commerce sales consist of 5.1%, 4.9% and 4.0% of merchandise sales for 2019, 2018 and 2017, respectively.
(3) Other sales consists primarily of the sales return allowance, gift card breakage income, credit card bounties and royalties, shipping income, net hunting and fishing license income and other items.

Stores

Our stores are designed to provide our customers with an easy-in, easy-out shopping experience. The interior of our stores are built around a central "racetrack" aisle that allows customers to efficiently navigate our selling floor. Additionally, our stores generally have consistent store layouts providing our customers familiarity across our entire store base. We seek to offer our customers strong merchandise assortment and a localized customer experience, which is facilitated by various types of merchandise fixtures and our large selling floor. Our central "racetrack" aisle and adjacent end-cap merchandising space allows us to adjust our inventory presentations throughout our various selling seasons.

Our store locations are typically positioned adjacent to major highways or thoroughfares, allowing customers to easily locate our stores. We seek to position our stores in areas with certain population densities, demographics and other characteristics to maximize sales. These markets consist of metropolitan, suburban and smaller cities. Additionally, our stores are typically placed in retail centers adjacent to co-tenants who drive significant traffic, with no store tethered to crowded mall spaces. We seek to lease all of our stores in long-term lease agreements with third-party landlords, which typically range from 15 to 20 years. Other than stores that we may temporarily own, and for which we are in the process of executing sale-leaseback transactions, we do not own our retail locations.

As of February 1, 2020, the number of stores that we operated by state was as follows:

State	Number of Stores
Texas	106
Louisiana	18
Georgia	18
Alabama	15
North Carolina	15
Tennessee	13
Oklahoma	13
Florida	12
Missouri	10
South Carolina	9
Arkansas	8
Mississippi	8
Kansas	6
Kentucky	5
Indiana	2
Illinois	1
	259

Our new stores average approximately 70,000 gross square feet, of which approximately 85% is dedicated to selling space. This allows us to merchandise and provide certain value-added services for the specialized nature of the merchandise we carry. These features include fishing and firearm service counters, free assembly of bicycles, grills and other products, hunting and fishing license certification, and in-store training for the use of certain of our products.

Marketing

Our marketing strategy is designed to reinforce our broad selection of merchandise and value prices. We rely on various media to communicate with our customers including printed advertisements, television commercials and digital marketing campaigns, among others. Our print advertisements are primarily comprised of newspaper and direct mail circulars. These print advertisements consist of a broad assortment of merchandise tailored to the season of the distribution. Our television and radio advertisements are typically themed to represent the current selling season and often feature certain merchandise related to that selling season. Our digital engagement includes communicating with our customers through paid search results, various social media platforms and email.

We often create events at our stores to drive customer traffic. These events include large Grand Opening celebrations to commemorate new store openings that offer various activities, food and games and often feature local celebrities. We also create championship events when professional or collegiate sports teams in our markets win league titles. At these events we extend our store hours and offer certain commemorative merchandise. We are active members in the communities we serve, participating in 36 National Night Out events in 2019, sponsoring over 1,500 local sports teams, hosting donation events for first responders and sponsoring events for the NCAA Southeastern Conference.

We periodically enter into sponsorship agreements generally with professional sports teams, associations, events, networks or individual professional players and collegiate athletic programs in exchange for marketing and advertising promotions.

We utilize data obtained from our CRM tools, which enable us to create effective customer-targeting strategies. Our current CRM programs focus on welcoming our first-time customers, thanking our big spenders, reactivating our lapsed customers and cross-selling our category customers (including our hunting, sports equipment and recreation categories). We also utilize customer demographic data that we capture to know when our customers buy from us and what items they purchase. With 38 million customers in our database, there is ample opportunity to increase our communication directly with our customers via one-on-one marketing.

In addition to our CRM tools, our Academy Credit Card program also provides data to track our customers' purchases across all channels, giving us the ability to better serve and target those customers.

Distribution Centers

We operate three distribution centers in Katy, Texas, Twiggs County, Georgia and Cookeville, Tennessee. The distribution centers receive and store products from vendors and use sophisticated sorting and logistical equipment to fill the product needs of the retail store locations they serve, as well as to fulfill e-commerce orders. Our distribution centers are leased under long-term agreements. Third-party trucking companies are used to disburse inventory from the distribution centers to and from our stores. These distribution centers are strategically located throughout our footprint to efficiently serve our retail locations, and have an ability to service up to an average of 110 locations each.

Information Technology

Our information technology systems are critical to our day-to-day operations as well as to our long-term growth strategies. Our technology is integrated across multiple functions throughout the organization, providing the data analysis, automation and solutions necessary to support our communications, inventory and supply chain management, store operations, distribution, point-of-sale, e-commerce, financial reporting and accounting functions. Our technology is the foundation of our merchandising and marketing functions; it processes our customers' orders and integrates our e-commerce sales with stores. We are leveraging our data to make more informed decisions around inventory, marketing, and store-level operations. We have agreements with third parties to provide hosting services and administrative support for portions of our infrastructure, and utilize cloud-based systems in addition to those hosted on premises.

Seasonality

Our business is subject to seasonal fluctuations. A significant portion of our net sales and profits is driven by summer holidays, such as Memorial Day, Father's Day and Independence Day, during the second quarter. Our net sales and profits are also impacted by the November/December holiday selling season, and in part by the sales of cold weather sporting goods and apparel during the fourth quarter.

Team Members

As of February 1, 2020, we employed over 21,000 team members. Of those team members, approximately 52% were full-time and 48% were part-time. Our employment levels fluctuate over the course of the year mainly due to the seasonality of our business. None of our team members are covered by collective bargaining agreements, and we believe we have good relationships with our team members. As a result of the COVID-19 pandemic, from mid-April 2020 to early June 2020, we temporarily furloughed a significant number of our corporate, store and distribution center team members and closed our corporate headquarters, thereby causing the majority of our active corporate team members to work remotely. As of August 1, 2020, we employed approximately 21,000 team members.

Properties

We are headquartered at 1800 North Mason Road, Katy, Texas, 77449, just outside of Houston. The following table sets forth the location, use and size of our corporate and distribution center facilities as of February 1, 2020:

Location	Use	Approximate Square Footage
Katy, Texas	Corporate Office Building 1	400,000(1)
Katy, Texas	Corporate Office Building 2	200,000(2)
Katy, Texas	Bulk Warehouse	200,000(4)
Katy, Texas	Distribution Center	1,400,000(1)
Twiggs County, Georgia	Distribution Center	1,600,000(3)
Cookeville, Tennessee	Distribution Center	1,600,000(4)
Kowloon, Hong Kong	Global Sourcing Office	5,000(5)

(1) 20-year lease entered in 2007.
(2) 20-year lease entered in 2015.
(3) 20-year lease entered in 2012.
(4) 20-year lease entered in 2016.
(5) Three-year lease entered in 2017.

We lease all of our stores. Our initial store lease terms are typically 15 to 20 years with various renewal options and lease escalation structures. We believe that all of our leases are entered into at the then-prevailing market lease rates. As of February 1, 2020, our total leased store square footage was approximately 18.3 million square feet.

Intellectual Property

Our trademarks, service marks, copyrights, patents, processes, trade secrets, domain names and other intellectual property, including our Academy Sports + Outdoors brand, our owned brands, such as Academy Sports + Outdoors, Magellan Outdoors, BCG, O'rageous and Outdoor Gourmet, and our goodwill, designs, names, slogans, images and trade dress associated with these brands, are valuable assets that are critical to our success.

We also enter into intellectual property agreements whereby the Company receives the right to use third-party owned trademarks typically in exchange for royalties on sales. These agreements typically contain a one to three-year term and contractual payment amounts required to be paid by the Company.

Governmental Regulations

We operate in a complex regulatory and legal environment that exposes us to regulatory, compliance and litigation risks that could materially affect our operations and financial results. We are subject to regulation by numerous federal, state and local regulatory agencies and authorities, including the U.S. Consumer Product Safety Commission, Equal Employment Opportunity Commission, Department of Labor, Occupational Safety and Health Administration, Department of Justice, Department of Treasury, Federal Trade Commission, Customs and Border Protection, Bureau of Alcohol, Tobacco, Firearms and Explosives, SEC, IRS, and Environmental Protection Agency and comparable state and local agencies.

Laws and regulations affecting our business may change, sometimes frequently and significantly, as a result of political, economic, social or other events. Some of the federal, state or local laws and regulations that affect us include but are not limited to:

- consumer product safety, product liability or consumer protection laws;

- laws related to advertising, marketing, pricing and selling our products, including but not limited to firearms, ammunition, and related accessories;
- labor and employment laws, including wage and hour laws;
- tax laws or interpretations thereof, including collection of state sales tax on e-commerce sales;
- data protection and privacy laws and regulations;
- environmental laws and regulations;
- hazardous material laws and regulations;
- customs or import and export laws and regulations, including collection of tariffs on product imports;
- intellectual property laws;
- antitrust and competition regulations;
- banking and anti-money laundering regulations;
- ADA and similar state and local laws and regulations;
- website design and content regulations;
- FCPA, UKBA and other anti-corruption laws; and
- securities and exchange laws and regulations.

We sell firearms, ammunition, and related accessories. Firearms represented less than 6% of our net sales in 2019. Numerous federal, state and local laws and regulations govern the procurement, transportation, storage, distribution and sale and marketing of firearms, ammunition, and related accessories, including the regulations governing the performance of federally and state mandated procedures for determining customer firearm purchase eligibility (such as age and residency verification, background checks and proper completion of required paperwork). In the future, there may be increased federal, state or local regulation affecting the sale of firearms, ammunition, and related accessories, including taxation or restrictions on the type of firearms and ammunition available for retail sale, which could reduce our sales and profitability. A failure by us to follow these laws or regulations may subject us to claims, lawsuits, fines, penalties, adverse publicity and government action (up to and including the possible revocation of licenses and permits allowing the sale of firearms and ammunition), which could have a material adverse effect on our business and results of operations. As a result, we devote significant resources to compliance with applicable laws and regulations governing our business and the products we sell.

Legal Proceedings

We are a defendant or co-defendant in lawsuits, claims and demands brought by various parties relating to matters normally incident to our business. No individual case, or group of cases against us, presenting substantially similar issues of law or fact, is expected to have a material effect on the manner in which we conduct our business or on our consolidated results of operations, financial position or liquidity. The majority of these cases are alleging product, premises, employment and/or commercial liability. Reserves have been established that we believe to be adequate based on our current evaluations and experience in these types of claim situations; however, the ultimate outcome of these cases cannot be determined at this time. We believe, taking into consideration our indemnities, insurance and reserves, the ultimate resolution of these matters will not have a material impact on our financial position, results of operations or cash flows.

Included in the matters discussed above are nine lawsuits filed against us between December 2017 and November 2019 in Texas state judicial courts located in Bexar County, Texas, by 79 plaintiffs on behalf of certain victims of a November 2017 shooting in Sutherland Springs, Texas. These cases, which present

substantially similar issues of law and fact, relate to the April 2016 sale by one of our stores of a firearm and magazine that were alleged to have been used in the Sutherland Springs incident. The plaintiffs seek monetary relief ranging from $1 million to over $150 million and, in some cases, injunctive relief to prohibit us from selling certain firearms in Texas to residents of states where such a sale would violate their home state's applicable firearm laws. The Supreme Court of Texas is scheduled in October 2020 to hear oral arguments relating to our motions for summary judgement to dismiss certain of these cases, with the remainder of these cases stayed pending the Supreme Court of Texas' decision. We believe that these cases are without merit and intend to contest them vigorously, particularly given that the sale and transfer of the firearm and the magazine complied with all applicable laws and that the purchaser passed a criminal background check at time of purchase. The ultimate outcome of these cases, however, cannot be determined at this time.

MANAGEMENT

Executive Officers and Directors

Below is a list of our executive officers and directors, their respective ages as of September 9, 2020 and a brief account of the business experience of each of them.

Name	Age	Position
Ken C. Hicks	67	Chairman, President and Chief Executive Officer
Michael P. Mullican	45	Executive Vice President and Chief Financial Officer
Steven P. Lawrence	52	Executive Vice President and Chief Merchandising Officer
Samuel J. Johnson	53	Executive Vice President, Retail Operations
Kenneth D. Attaway	57	Executive Vice President, Chief Operating Officer
William S. Ennis	51	Senior Vice President, Chief Human Resources Officer
Manish Maini	47	Senior Vice President, Chief Information Officer
Jamey Traywick Rutherford	47	Senior Vice President, Omnichannel
Rene G. Casares	44	Senior Vice President, General Counsel and Secretary
Brian T. Marley	63	Director
Vishal V. Patel	33	Director
William S. Simon	60	Director
Nathaniel H. Taylor	44	Director
Aileen X. Yan	31	Director

Executive Officers

Ken C. Hicks has served as the Chairman and our President and Chief Executive Officer since May 2018. Mr. Hicks has served as a member of the board of managers of New Academy Holding Company, LLC since May 2017 and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Mr. Hicks served on the compensation committee of the board of managers of New Academy Holding Company, LLC from May 2017 to May 2018. Mr. Hicks previously served as President and Chief Executive Officer at Foot Locker, Inc. from August 2009 to February 2010, and also served as Chairman, President and Chief Executive Officer at Foot Locker, Inc. from February 2010 to November 2014, and as Executive Chairman at Foot Locker, Inc. from December 2014 to May 2015. Prior to joining Foot Locker, Inc., Mr. Hicks held senior positions at J.C. Penney Company, Inc., Payless ShoeSource, Home Shopping Network, May Department Stores Company, and McKinsey & Company. Mr. Hicks has served on the board of directors of Avery Dennison Corporation since July 2007 and served on the board of directors of Whole Foods Market, Inc. from May 2017 to August 2017. Mr. Hicks graduated from the United States Military Academy located in West Point, NY, and served in the U.S. Army. He also earned a Masters of Business Administration with highest distinction from Harvard Business School. We believe Mr. Hicks' qualifications to serve on our board of directors include his executive leadership and management experience and extensive business and financial experience related to the retail industry.

Michael P. Mullican has served as our Executive Vice President and Chief Financial Officer since January 2018. He previously served as our Executive Vice President and General Counsel from February 2017 to January 2018. Prior to joining Academy Sports + Outdoors, Mr. Mullican served as the Managing Director of Aureus Health Services, a specialty pharmacy owned by Meijer, Inc. Before being named Managing Director at Aureus, Mr. Mullican held several leadership roles at Meijer, including Vice President of Business Development, and Vice President and Assistant General Counsel. Additionally, Mr. Mullican served as Divisional Counsel and Assistant Secretary at Family Dollar Stores, Inc., and Associate General Counsel and Assistant Secretary at Horizon Lines, Inc. Mr. Mullican holds a Bachelor of Arts in Communication from North Carolina State University and a Juris Doctor degree from the University of Chicago Law School.

Steven (Steve) P. Lawrence has served as our Executive Vice President and Chief Merchandising Officer since joining the Academy Sports + Outdoors team in February 2019. Prior to joining Academy Sports + Outdoors, Mr. Lawrence was President and Chief Executive Officer at francesca's. From May 2012 to September 2016, he served as Chief Merchandising Officer at Stage Stores. Mr. Lawrence also spent nearly 12 years

working in various merchandising leadership roles at J.C. Penney after 10 years at Foley's. Mr. Lawrence also served on the board of directors of francesca's from October 2016 to January 2019. Mr. Lawrence obtained his Bachelor of Business Administration in Finance from the University of Notre Dame.

Samuel (Sam) J. Johnson has served as our Executive Vice President, Retail Operations since joining the Academy Sports + Outdoors team in April 2017. Prior to joining Academy Sports + Outdoors, Mr. Johnson spent seven years with hhgregg, Inc., where he most recently served as Chief Retail Officer. While at hhgregg, Inc., he led functions including store operations, customer relations, commercial sales, real estate and visual merchandising. Prior to hhgregg, Inc., he spent more than 20 years in various leadership roles with Sears Holdings Corporation, including Vice President of Small Stores.

Kenneth (Ken) D. Attaway has served as our Executive Vice President, Chief Operating Officer since October 2013, currently overseeing Distribution and Logistics, Real Estate, Construction, Facilities/Maintenance, Procurement and Enterprise Program Management Office. Mr. Attaway joined the Academy Sports + Outdoors team as Executive Director of Supply Chain in January 2007 and was appointed as Vice President of Distribution and Logistics in September 2007. In February 2009, Mr. Attaway became the Executive Vice President of Distribution and Logistics, then was appointed as the Executive Vice President of Operations in May 2009 and led loss prevention, stores and the sourcing team along with his Distribution and Logistics responsibilities. Prior to joining Academy Sports + Outdoors, Mr. Attaway spent over 25 years at Dollar General and Bealls Department Stores combined, leading their supply chain teams.

William (Bill) S. Ennis has served as our Senior Vice President, Chief Human Resources Officer since March 2016. Mr. Ennis joined the Academy Sports + Outdoors team as Vice President of Human Resources in April 2008 and served in that role until October 2010 when he was appointed as Senior Vice President, Human Resources. Prior to joining Academy Sports + Outdoors, Mr. Ennis spent over 19 years with Stage Stores, May Department Stores and Federated Department Stores in multiple capacities including human resources, stores, buying group, store operations and finance areas. He currently sits on advisory boards for the Texas A&M Center for Retailing Studies and Texas Retailers Education Foundation, and he is also the governing body chair for the Houston HR Leadership Summit. Mr. Ennis graduated with a Bachelor of Arts in Economics from the University of Texas.

Manish Maini has served as our Senior Vice President, Chief Information Officer since joining the Academy Sports + Outdoors team in June 2017. Prior to joining Academy Sports + Outdoors, he served as the Chief Information Officer and Senior Vice President at The Children's Place U.S. where he led a 120-member team, and was responsible for the development and implementation of the company-wide IT strategy. Mr. Maini also spent nine years at Ann, Inc., formerly Ann Taylor Stores Inc., where he served in various IT leadership roles, including Vice President of Enterprise Systems. Mr. Maini holds a Bachelor of Engineering, Electronics and Communication from STJ Institute of Technology in Karnatak, India.

Jamey Traywick Rutherford has served as our Senior Vice President, Omnichannel since joining the Academy Sports + Outdoors team in May 2018. Prior to joining Academy Sports + Outdoors, Ms. Traywick Rutherford spent over 17 years at AutoZone where she served in various e-commerce roles until she was promoted to AutoZone's first Vice President, e-commerce in 2010. She was instrumental in the development and launch of AutoZone.com and AutoZonePro.com. In 2017, she transitioned to Vice President, Merchandising to leverage her digital expertise to support in-store sales initiatives. She holds a Bachelor of Science in Environmental Science from the University of Denver, and a Master of Science in e-commerce from the University of Memphis.

Rene G. Casares has served as our Senior Vice President, General Counsel and Secretary since March 2018. He joined the company in July 2013 as Senior Director, Associate General Counsel and served as Vice President, Associate General Counsel and Assistant Secretary from March 2016 to March 2018. Prior to joining Academy Sports + Outdoors, Mr. Casares served as an Associate Attorney at the global law firm, Vinson & Elkins LLP, from 2008 to 2013, where he advised major and middle-market companies with mergers and acquisitions, private

equity, corporate governance and capital markets. He also served in a similar capacity as an Associate Attorney at the global law firm, Latham & Watkins LLP, from 2006 to 2008. Additionally, Mr. Casares has a background in finance and consulting after serving as an Associate at Growth Capital Partners. L.P., a Strategy Consultant at KPMG Consulting, Inc., and an Analyst at Merrill Lynch & Co. Mr. Casares holds a Bachelor of Business Administration in Finance from the University of Notre Dame and a Juris Doctor degree from Stanford Law School.

Directors

Brian T. Marley has served as a member of the board of managers of New Academy Holding Company, LLC since January 2018 and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Mr. Marley is the founder and Managing Partner of Marley Associates LLC, an advisory services firm. Mr. Marley previously served as Executive Vice President and Chief Financial Officer of Belk, Inc. from 2000 to 2013. Prior to joining Belk, Mr. Marley was at KPMG LLP for 20 years, during which he was a partner for 7 years. He is a graduate of the University of North Carolina at Chapel Hill. We believe Mr. Marley's qualifications to serve on our board of directors include his executive leadership and management experience and extensive financial experience.

Vishal V. Patel has served as a member of the board of managers of New Academy Holding Company, LLC since May 2015 and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Mr. Patel is a member of the Healthcare and Retail and Consumer teams at KKR. Mr. Patel served on the board of directors of US Foods Holding Corp. from August 2015 to September 2017. Prior to joining KKR, Mr. Patel was with Moelis & Company where he was involved in a variety of mergers, acquisitions and restructuring transactions. He holds a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania. We believe Mr. Patel's qualifications to serve on our board of directors include his significant business, financial and investment experience related to the retail industry and prior involvement with KKR's investment in the Company.

William (Bill) S. Simon has served as a member of the board of managers of New Academy Holding Company, LLC since September 2016 and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Mr. Simon has also served on the board of directors of Darden Restaurants Inc. since July 2012, Chico's FAS, Inc. since July 2016 and GameStop Corp. since March 2020. He served on the board of directors of Agrium Inc. from February 2016 to May 2017 and on the board of directors of Anixter International Inc. from March 2019 to June 2020. Mr. Simon was the President and CEO of Walmart U.S. from 2010 to 2014, and previously was appointed the COO of Walmart U.S. in 2007. Prior to joining Walmart, Mr. Simon held several senior positions at Brinker International, Diageo, Cadbury-Schweppes, PepsiCo and RJR-Nabisco. He also served in the public sector as Secretary of the Florida Department of Management Services, appointed by Governor Jeb Bush. Mr. Simon is currently a senior advisor to KKR. Mr. Simon served 25 years in the U.S. Navy and Naval Reserves and attended the University of Connecticut, where he earned a Bachelor of Arts in Economics and a Masters of Business Administration in Management. We believe Mr. Simon's qualifications to serve on our board of directors include his executive leadership and management experience and extensive business and financial experience related to the retail industry.

Nathaniel (Nate) H. Taylor has served as a member of the board of managers of New Academy Holding Company, LLC since August 2011, including as Chairman from June 2015 to May 2018, and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Mr. Taylor heads the Americas Consumer Retail team at KKR and serves on the Investment Committee within KKR's Americas Private Equity platform. Mr. Taylor has also served on the board of directors of National Vision Holdings, Inc. since February 2014 and US Foods Holding Corp. since May 2020. Prior to joining KKR, Mr. Taylor worked at Bain Capital where he was involved with investments in the retail, health care and technology sectors. He holds a Bachelor of Arts from Dartmouth College and a Masters of Business Administration from Stanford University Graduate School of Business. We believe Mr. Taylor's qualifications to serve on our board of directors include his

significant business, financial and investment experience related to the retail industry and prior involvement with KKR's investment in the Company.

Aileen X. Yan has served as a member of the board of managers of New Academy Holding Company, LLC since November 2019 and as a member of the board of directors of Academy Sports and Outdoors, Inc. since June 2020. Ms. Yan is a member of the Retail and Consumer team at KKR. Prior to joining KKR, Ms. Yan was with Clayton, Dubilier & Rice from 2013 to 2015, where she worked on investments across various industries including health care and retail. She holds a Bachelor of Science in Operations Research and Financial Engineering from Columbia University and a Master of Business Administration from Harvard Business School. We believe Ms. Yan's qualifications to serve on our board of directors include her significant business, financial and investment experience related to the retail industry and prior involvement with KKR's investment in the Company.

There are no family relationships among our directors and executive officers.

Composition of Our Board of Directors after this Offering

Our business and affairs are managed under the direction of our board of directors. Our amended and restated certificate of incorporation will provide for a classified board of directors, with directors in Class I (expected to be), directors in Class II (expected to be) and directors in Class III (expected to be). See "Description of Capital Stock."

In addition, pursuant to the stockholders agreement we expect to enter into in connection with this offering, or the stockholders agreement, KKR Stockholders will have the right to designate nominees to our board of directors subject to the maintenance of certain ownership requirements in us. See "Certain Relationships and Related Party Transactions—Stockholders Agreement."

Controlled Company Exemption

After the completion of this offering, KKR Stockholders, who are parties to the stockholders agreement, will continue to beneficially own shares representing more than 50% of the voting power of our shares eligible to vote in the election of directors. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Under these corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our board of directors consist of independent directors, (2) that our board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) that our board of directors have a nominating and governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. For at least some period following this offering, we may utilize one or more of these exemptions since our board of directors has not yet made a determination with respect to the independence of any directors.

In the future, we expect that our board of directors will make a determination as to whether other directors, including directors associated with KKR, are independent for purposes of the corporate governance standards described above. Pending such determination, you may not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a "controlled company" and our shares continue to be listed on Nasdaq, we will be required to comply with these standards and, depending on our board of directors' independence determination with respect to our then-current directors, we may be required to add additional directors to our board of directors in order to achieve such compliance within the applicable transition periods.

Board Leadership Structure and Our Board of Director's Role in Risk Oversight

Committees of Our Board of Directors

After the completion of this offering, the standing committees of our board of directors will consist of an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Our board of directors may also establish from time to time any other committees that it deems necessary or desirable.

Our chief executive officer and other executive officers will regularly report to the non-executive directors and the Audit Committee, the Compensation Committee and the Nominating and Governance Committee to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. We believe that the leadership structure of our board of directors provides appropriate risk oversight of our activities given the controlling interests held by KKR Stockholders.

Audit Committee

Upon the completion of this offering, we expect to have an Audit Committee, consisting of , who will be serving as the Chair, and and . and qualify as independent directors under the corporate governance standards of Nasdaq and the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our board of directors has determined that qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K.

The purpose of the Audit Committee will be to prepare the audit committee report required by the SEC to be included in our proxy statement and to assist our board of directors in overseeing:

- accounting, financial reporting and disclosure processes;
- adequacy and soundness of systems of disclosure and internal control established by management;
- the quality and integrity of our financial statements and the annual independent audit of our consolidated financial statements;
- our independent registered public accounting firm's qualifications and independence;
- the performance of our internal audit function and independent registered public accounting firm;
- our compliance with legal and regulatory requirements in connection with the foregoing;
- compliance with our Code of Conduct; and
- overall risk management profile.

Our board of directors will adopt a written charter for the Audit Committee, which will be available on our website upon the completion of this offering.

Compensation Committee

Upon the completion of this offering, we expect to have a Compensation Committee, consisting of , and , who will serve as the Chair.

The purpose of the Compensation Committee is to assist our board of directors in discharging its responsibilities relating to:

- the establishment, maintenance and administration of compensation and benefit policies designed to attract, motivate and retain personnel with the requisite skills and abilities to contribute to our long term success;
- setting our compensation program and compensation of our executive officers, directors and key personnel;

- monitoring our incentive compensation and equity-based compensation plans;
- succession planning for our executive officers, directors and key personnel;
- our compliance with the compensation rules, regulations and guidelines promulgated by Nasdaq, the SEC and other law, as applicable; and
- preparing the compensation committee report required to be included in our proxy statement under the rules and regulations of the SEC.

Our board of directors will adopt a written charter for the Compensation Committee, which will be available on our website upon the completion of this offering.

Nominating and Governance Committee

Upon the completion of this offering, we expect to have a Nominating and Governance Committee, consisting of , and , who will serve as the Chair.

The purpose of the Nominating and Governance Committee is to:

- advise our board of directors concerning the appropriate composition of our board of directors and its committees;
- identify individuals qualified to become members of our board of directors;
- recommend to our board of directors the persons to be nominated by our board of directors for election as directors at any meeting of stockholders;
- recommend to our board of directors the members of our board of directors to serve on the various committees of our board of directors;
- develop and recommend to our board of directors a set of corporate governance guidelines and assist our board of directors in complying with them; and
- oversee the evaluation of our board of directors, our board of directors' committees, and management.

Our board of directors will adopt a written charter for the Nominating and Governance Committee, which will be available on our website upon the completion of this offering.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee has at any time been one of our executive officers or team members. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our board of directors or Compensation Committee.

We are parties to certain transactions with KKR Stockholders and their affiliates and certain of our directors described in the section of this prospectus entitled "Certain Relationships and Related Party Transactions."

Code of Ethics and Business Conduct

We will adopt a new Code of Ethics and Business Conduct that applies to all of our directors, officers and team members, including our chief executive officer and chief financial and accounting officer. Our Code of Ethics and Business Conduct will be available on our website upon the completion of this offering. Our Code of Ethics and Business Conduct is a "code of ethics," as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our website.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis provides an overview of our executive compensation philosophy, the overall objectives of our executive compensation program, and each material element of compensation for the fiscal year ended February 1, 2020 (also referred to as 2019). We have provided this information for each person who served as our principal executive officer, principal financial officer and our three most highly compensated executive officers employed at the end of 2019, all of whom we refer to collectively as our Named Executive Officers.

Our Named Executive Officers for 2019 were:

- Ken C. Hicks, *Chairman, President, and Chief Executive Officer*;
- Michael P. Mullican, *Executive Vice President, Chief Financial Officer*;
- Steven (Steve) P. Lawrence, *Executive Vice President, Chief Merchandising Officer*;
- Samuel (Sam) J. Johnson, *Executive Vice President, Retail Operations;* and
- Kenneth (Ken) D. Attaway, *Executive Vice President, Chief Operations Officer*.

Who We Are and 2019 Business Performance Highlights

We are one of the leading full-line sporting goods and outdoor recreation retailers in the United States. We estimate that we served 30 million unique customers and completed approximately 80 million transactions in 2019 across our seamless omnichannel platform and highly productive stores, resulting in net sales of $4.8 billion and making us the largest value-oriented sporting goods and outdoor recreation retailer in the country. Our mission is to provide “Fun for All” and fulfill this mission with a localized merchandising strategy and value proposition that deeply connect with a broad range of consumers. Our broad and localized assortment appeals to all ages, incomes and aspirations, including beginning and advanced athletes, families enjoying outdoor recreation, and enthusiasts pursuing their passion for sports and the outdoors. We sell a range of sporting and outdoor recreation products, including sporting equipment, apparel, footwear, camping gear, patio furniture, outdoor cooking equipment, and hunting and fishing gear, among many others. As of February 1, 2020, we operated 259 stores that range in size from approximately 40,000 to 130,000 gross square feet, with an average size of approximately 70,000 gross square feet, throughout 16 contiguous states located primarily in the southern United States. Our stores are supported by over 20,000 team members, three distribution centers, and our rapidly growing e-commerce platform, www.academy.com.

Highlights from 2019 include:

- We generated $4.8 billion of net sales, $120 million of net income, $323 million of Adjusted EBITDA (a $23 million increase over 2018), $197 million of Adjusted Free Cash Flow, and return on invested capital, or ROIC Percentage, of 14.3%. See “Summary—Summary Historical Consolidated Financial and Other Data” for the definitions of Adjusted EBITDA and Adjusted Free Cash Flow and reconciliations of Adjusted EBITDA to net income and Adjusted Free Cash Flow to net cash provided by (used in) operating activities.
- We estimate that we served 30 million customers and completed approximately 80 million transactions resulting in strong household penetration in our core markets.
- Our e-commerce sales represented 5% of our sales, with sales growth of $17.8 million, or 7.8%, over 2018.

- We rolled out BOPIS to all locations, which accounted for approximately 24% of our e-commerce sales.
- We opened eight new stores and renovated 11 stores.

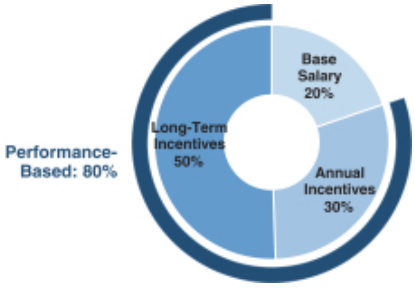
Executive Officer Compensation Objectives and Philosophy

The goal of our executive officer compensation program is to create long-term value for our equityholders, reward our executive officers for superior financial and operating performance, and support retention in a competitive market environment. We believe the most effective way to achieve this objective is to design an executive officer compensation program that drives the achievement of annual, long-term and strategic goals and that aligns executive officers' interests with those of our equityholders. The following are the core elements of our executive officer compensation philosophy:

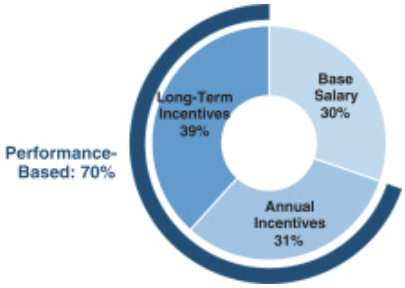
- *Market Competitive*: Compensation levels and programs for executive officers, including our Named Executive Officers, should be competitive relative to the marketplace in which we operate. It is important for us to leverage an understanding of what constitutes competitive pay in our market and build unique strategies to attract the high caliber talent we require to manage and grow the Company.
- *Performance-Based*: We believe in a pay-for-performance compensation philosophy which targets our team members to be paid at market compensation based on their role and responsibilities. Most of our executive officer compensation should be performance-based pay that is "at risk," based on short-term and long-term goals, which reward both organizational and individual performance. The performance targets under both our annual bonus program and our performance-based equity awards were designed to drive significant growth of our business yet still be achievable, and to focus on long-term value creation.
- *Equityholder Aligned*: Incentives should be structured to create a strong alignment between executive officers and equityholders on both a short-term and a long-term basis.

The charts below illustrate that the majority of each Named Executive Officer's annual total target compensation for 2019 (i.e., base salary, annual target bonus and annual target equity grant) is performance-based and "at risk" based on the Company's performance:

Compensation Mix - CEO



Compensation Mix - Average of All Other NEOs



Governance of Executive Officer Compensation Program

Role of the Compensation Committee

The Compensation Committee, or the Compensation Committee, of our Board of Managers, or the Board, which is comprised solely of non-employee directors, is responsible for establishing, implementing, and evaluating our executive officer compensation and benefit programs. Following this offering, the same Compensation Committee will be constituted at the level of Academy Sports and Outdoors, Inc.

The Compensation Committee discharges the responsibilities of our Board relating to the compensation of our executive officers, including the Named Executive Officers, according to its charter. The Compensation

Committee annually evaluates the performance of our Chief Executive Officer and our other executive officers, establishes the base salaries, cash bonus awards, long-term incentive compensation opportunities, and perquisites for our Chief Executive Officer and our other executive officers, and approves (or recommends for approval by the Board) all equity awards. The Compensation Committee's objective is to ensure that the total compensation paid to our Named Executive Officers as well as our other executive officers is fair, reasonable, and market competitive while incentivizing the creation of long-term value for our equityholders. Generally, the types of compensation and benefits provided to our Named Executive Officers are similar to those provided to other executive officers.

The Compensation Committee has overall responsibility for overseeing our compensation and benefits policies generally, overseeing, evaluating, and approving the compensation policies, practices, and plans applicable to our executive officers, determining the compensation of our Chief Executive Officer and other executive officers, determining and overseeing the process of evaluating our Chief Executive Officer's performance, and overseeing the preparation of, reviewing, and approving this Compensation Discussion and Analysis.

The Compensation Committee reviews the base salary levels, annual cash bonus opportunities, long-term incentive compensation opportunities, and perquisites of our executive officers, including the Named Executive Officers, each fiscal year, or more frequently as warranted. Each fiscal year, the Compensation Committee reviews our financial and operational performance and the corresponding projected payments under our annual bonus plan and the equity awards previously granted to our executive officers.

When selecting and setting the amount of each compensation element, the Compensation Committee generally considers the following factors:

- our performance against the financial and operational objectives established by the Compensation Committee;
- each individual executive officer's skills, experience, and qualifications relative to other similarly-situated executive officers at the companies in our compensation peer group;
- the scope of each executive officer's role compared to other similarly-situated executive officers at the companies in our compensation peer group;
- the performance of each individual executive officer, based on a subjective assessment of his or her contributions to our overall performance, ability to lead his or her business unit or function, and work as part of a team, all in furtherance of our core values;
- compensation equality among our executive officers, including the Named Executive Officers (other than our Chief Executive Officer);
- our performance relative to our compensation peer group; and
- the compensation practices of our compensation peer group and how each executive officer's target compensation compares to a ranking of similar positions in our compensation peer group.

Historically, the Compensation Committee has recommended equity awards for each Named Executive Officer, and such awards are then granted by the Board (or its Executive Committee). Following this offering, all equity awards will be granted by the Compensation Committee. In determining the amount of long-term incentive compensation for our executive officers as part of its annual compensation review, the Compensation Committee also considers the accounting impact of the proposed awards on our earnings and the proportion of our total shares outstanding used for annual employee long-term incentive compensation awards, or burn rate, in relation to the median proportions of the companies in the retail sector benchmarks.

These factors provide the framework for compensation decision-making and final decisions regarding the compensation opportunity for each executive officer. No single factor is determinative in setting pay levels, nor

is the impact of any factor on the determination of pay levels quantifiable. Our Compensation Committee retains significant authority to adjust compensation levels of our executive officers based on these and other factors that it may deem appropriate to achieve our overall compensation goals.

Role of Executive Management Team for Compensation

In discharging its responsibilities, the Compensation Committee works with members of our executive management team for compensation (i.e., our Chief Executive Officer, Chief Human Resources Officer, and Vice President of Compensation and Benefits). The executive management team for compensation (with input from Meridian Compensation Partners, or Meridian, the Company's independent compensation consultant) assists the Compensation Committee by providing information on our performance and the individual performance of our executive officers, as well as market and industry data, and executive management's perspective and recommendations on compensation matters. The Compensation Committee solicits and reviews our executive management team for compensation's recommendations and proposals with respect to adjustments to base salaries, annual cash bonus opportunities, long-term incentive compensation opportunities, perquisites, program structures, and other compensation-related matters for our executive officers. The Compensation Committee reviews and discusses these recommendations and proposals with some or all of the members of our executive management team for compensation and uses them as one factor in determining and approving the compensation for our executive officers. In addition, the level of attainment of each individual executive officer's performance pursuant to the Company's Executive Team Bonus Plan (described in "—Executive Team Bonus Plan") is recommended by our Chief Executive Officer (other than his own, which is determined by the Compensation Committee) to the Compensation Committee for its final approval. Each executive officer on the executive management team for compensation recuses himself from all Compensation Committee deliberations regarding his own compensation.

Role of Compensation Consultant

The Company has retained Meridian, a national compensation executive compensation consulting firm, to serve as an independent compensation advisor. The Company has utilized Meridian for general input and guidance on components of our executive officer compensation program. Meridian advises the Company with respect to developing a compensation benchmarking peer group and market data for base salary, annual bonus, long-term equity compensation, and perquisites for similarly situated executive officers in the Company's compensation peer group.

Pursuant to its charter, the Compensation Committee has the authority to retain the services of external advisors, including compensation consultants, legal counsel, and other advisors, to assist in the performance of its responsibilities. Prior to this offering, the Compensation Committee has not retained its own compensation consultant but we anticipate that the Compensation Committee will engage its own independent compensation consultant either in connection with or following this offering.

During 2019, Meridian provided the following services to the Company:

- Developed a compensation benchmarking peer group and approach that is used to develop competitive market data references.
- Provided competitive market data based on the compensation peer group for our executive officers.
- Reviewed the base salary levels, annual cash bonus opportunities, long-term incentive compensation opportunities, and perquisites of our executive officers.
- Provided an assessment of executive compensation trends within our industry.

Competitive Positioning

For purposes of comparing our executive compensation against the competitive market, the Compensation Committee reviews and considers the compensation levels and practices of a group of comparable retail

companies. In December 2018, the Compensation Committee, with the input of data and analysis from Meridian and the executive management team for compensation (i.e., our Chief Executive Officer, Chief Human Resources Officer and Vice President of Compensation and Benefits), developed and approved the following compensation peer group for purposes of understanding the competitive market:

Advance Auto Parts, Inc.	GameStop Corp.
Ascena Retail Group, Inc.	Genesco Inc.
AutoZone, Inc.	GNC Holdings, Inc.
Burlington Stores, Inc.	Sally Beauty Holdings, Inc.
Caleres, Inc.	Tailored Brands, Inc.
Carter's, Inc.	The Michaels Companies, Inc.
Dick's Sporting Goods, Inc.	Tractor Supply Company
DSW Inc.	Urban Outfitters, Inc.
Foot Locker, Inc.	Williams-Sonoma, Inc.

The companies in this compensation peer group were selected using the following criteria:

- Similar revenue size – 0.4x to 2.5x our last four fiscal quarters' revenue as of the third quarter of 2018;
- Companies primarily in the retail business; and
- Similar business model and/or product.

This compensation peer group was used by the Compensation Committee during 2019 as a reference for understanding the compensation practices of companies in our industry sector and compensation peer group.

To analyze the compensation practices of the companies in our compensation peer group, Meridian gathered data for the peer group companies from public filings (primarily proxy statements). This market data was then used as a reference point for the Compensation Committee to assess our current compensation levels in the course of its deliberations on compensation forms and amounts.

The Compensation Committee reviews our compensation peer group at least annually and makes adjustments to its composition as necessary or appropriate, taking into account changes in both our business and the businesses of the companies in the compensation peer group.

In December 2019, the Compensation Committee, with the input of data and analysis from Meridian, approved the same compensation peer group for 2020 as described above.

Employment Agreements

We have entered into employment agreements with each of our Named Executive Officers and all of our other executive officers to help ensure the retention of those executive officers who are critical to the future success of the Company. For additional information regarding our employment agreements, see "—Employment Agreements with Named Executive Officers."

Considerations in Setting 2019 Compensation

The Compensation Committee believes that to attract, retain, and motivate the Company's executive officer talent, it is critical to review the compensation of each Named Executive Officer on an annual basis in relation to the Company's compensation peer group using the appropriate job matches by position and performance. Meridian performs executive officer compensation benchmarking analyses for the Company each year, and the Compensation Committee reviews the Company's compensation peer group annually to ensure that there is an appropriate mix of retail companies for comparison purposes.

In approving 2019 compensation for our Named Executive Officers, the Compensation Committee took into consideration the recommendation of the executive management team for compensation (i.e., our Chief Executive Officer, Chief Human Resources Officer and Vice President of Compensation and Benefits) relating to the total compensation package for our Named Executive Officers, which was determined based on guidance from Meridian regarding peer group data and position matching. Based on Company-wide operating results and the extent to which individual performance objectives were met in 2018, the Compensation Committee determined the total 2019 compensation opportunity for each of our Named Executive Officers. Our Compensation Committee believes that the total 2019 compensation opportunity for our Named Executive Officers was competitive while at the same time being responsible to our equityholders because a majority of the total 2019 compensation opportunity was allocated to variable "at risk" compensation, paid only upon achievement of both individual and Company performance objectives.

In setting executive officer compensation, the Compensation Committee generally strives to remain in the range of the 50th to 60th percentile of our compensation peer group for total annual target compensation which corresponds closely to our annual revenue placement within our peer group. For 2019: (i) total annual target compensation (i.e., base salary, annual target bonus and annual target equity grant) was between the 50th to the 60th percentile of our compensation peer group; (ii) base salary was between the 25th and 50th percentile of our compensation peer group; (iii) annual target bonuses were approximately around the 75th percentile of our compensation peer group; and (iv) the total target value of annual equity grants was between the 50th and 75th percentile of our compensation peer group.

The following is a summary of key considerations that affected the development of 2019 compensation decisions for our Named Executive Officers, and which the Compensation Committee believes will continue to affect its compensation decisions in future fiscal years:

Use of Market Data. We establish target compensation levels that are consistent with market practice and internal equity considerations (including position, responsibility and contribution) relative to base salaries, cash bonuses, and long-term equity compensation, as well as with the assessment of the appropriate pay mix for a particular position. In order to gauge the competitiveness of our compensation programs, we also review compensation practices and pay opportunities from our compensation peer group. We attempt to position ourselves to attract and retain qualified executive officers in the face of competitive pressures in relevant labor markets.

Emphasis on Performance. Our compensation program provides increased pay opportunity correlated with superior performance over the long term. When evaluating base salary, individual performance is the primary driver that determines each Named Executive Officer's annual increase, if any. Historically, we have used both cash bonuses and performance vesting equity awards to reward Company and individual performance.

Importance of Company Results. In determining the amount of cash bonus for each Named Executive Officer, we may consider performance with respect to our success in implementing our business strategies that yield long-term benefits, such as developing a more exciting and productive experience in our stores and increasing the productivity of all of our assets. The Compensation Committee believes it is important to hold our Named Executive Officers accountable for overall Company results. Under the Company's Executive Team Bonus Plan as in effect during 2019, 90% of the payout was tied to Company performance metrics and the remaining 10% was tied to individual performance metrics. The same weighting of Company and individual performance metrics also applies to the Executive Team Bonus Plan in effect for 2020.

Following the completion of this offering, we anticipate that the Compensation Committee will continue to adhere to the compensation philosophy described above.

Executive Officer Compensation Policies and Practices

Either during 2019 or in connection with or following this offering where noted, we either adopted or maintained the following executive officer compensation policies and practices, which include policies and

practices that we have implemented to drive performance as well as policies and practices that either prohibit or minimize behaviors that we do not believe serve our equityholders' long-term interests:

- *Composition of Compensation Committee*. The Compensation Committee is comprised solely of nonemployee directors.
- *Compensation Committee Advisor*. We anticipate that the Compensation Committee will engage its own independent compensation consultant either in connection with or following this offering. The Company currently retains Meridian as an advisor on executive pay related items.
- *Annual Executive Officer Compensation Review*. The Compensation Committee conducted an annual review and approval of our compensation strategy, including a review and determination of our compensation peer group used for comparative purposes. In determining the base salary, bonus, long-term incentives, and perquisites for each of our Named Executive Officers, the Compensation Committee meets in March of each fiscal year to review and approve each executive officer's compensation as compared to the Company's compensation peer group. The Compensation Committee considers the data provided by Meridian and the recommendations provided by the Company's executive management team for compensation and, in that context, approves the compensation for each Named Executive Officer.
- *Executive Officer Compensation Practices*. Our compensation philosophy and related corporate governance policies and practices are complemented by several specific compensation practices that are designed to align our executive officer compensation with long-term equityholder interests, including the following:
  - *Annual Performance Review*. The Compensation Committee engages in an annual performance review of each Named Executive Officer based on our corporate results and individual performance.
  - *Compensation At Risk*. Our executive officer compensation program is designed so that a majority of compensation is "at risk" based on the Company's performance, in the form of both short-term cash and long-term equity incentives to align the interests of our executive officers and equityholders.
  - *No Defined Benefit Pension or Nonqualified Deferred Compensation Plans*. We do not currently offer, nor do we have plans to provide, defined benefit pension arrangements or nonqualified deferred compensation plans or arrangements to our executive officers.
  - *Nominal Special Health or Welfare Benefits*. Our executive officers participate in broad-based company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried employees. However, in order to maintain continuity of leadership by encouraging physical well-being, the Compensation Committee has approved reimbursement for annual physicals for each of the Named Executive Officers in 2019.
  - *No Post-Employment Tax Reimbursements*. We do not provide any tax reimbursement payments (including "gross-ups") on any severance or change-in-control payments or benefits.
  - *No Options Granted with Exercise Price Below Fair Market Value, with Pre-Offering Fair Market Value determined based on Third-Party Valuations*. All options have been granted with exercise prices equal to the fair market value of our Membership Units on the date of grant. We believe that such equity awards provide an appropriate long-term incentive for our executive officers, since the options reward them only to the extent that the value of our Membership Units increases and equityholders realize value following their grant date. Prior to this offering, the Board determined the fair market value of our Membership Units based on valuation reports intended to comply with the safe harbor under Section 409A of the Internal Revenue Code of 1986, as amended, or the Code, and the regulations promulgated thereunder that it received on a quarterly basis from a third party valuation expert.

- *Multi-Year Time Vesting and Performance Vesting Requirements for Equity Awards*. The options and restricted units granted to our executive officers vest over multi-year periods, consistent with current market practice and our retention objectives. In addition, certain options granted to our executive officers are subject to performance-based vesting requirements, and restricted units are subject to a liquidity event vesting requirement.
- *Hedging and Pledging Prohibited*. We prohibit our executive officers from hedging our securities, pledging our securities as collateral for loans, or holding our securities in margin accounts.

Elements of 2019 Compensation Program

There are three key elements of our executive officer compensation program for our Named Executive Officers:

Component	Purpose	Overview
Base salary	• Compensate for services rendered each year	• Based on position, experience, job responsibilities, and performance

Annual cash incentive bonus	• Encourage achievement of our corporate performance objectives
	• Reward those individuals who significantly impact our corporate results
		• Company performance (90% weighting)
		  • Total Company EBITDA Dollars (40% weighting)
		  • Total Company Sales (weighted 40%)
		  • ROIC Percentage (weighted 10%)
		• Individual performance (10% weighting)

Long-term equity incentives	• Align executive officer and equityholder interests by creating a link between executive compensation and our long-term performance	• Options • Restricted Units

In addition to these key compensation elements, our Named Executive Officers are provided certain other compensation including perquisites and other benefits, as described in "—Other Compensation."

Base Salary

We pay our Named Executive Officers base salaries to compensate them for services rendered each year. Base salary is a regular cash payment, the amount of which is based on position, experience, job responsibilities, and performance after considering the following primary factors: internal review of the executive officer's compensation, relative to both U.S. national market targets and other compensation peer group executive officers' salaries, and the Compensation Committee's assessment of the executive officer's individual prior performance and internal pay equity. Salary levels are typically considered annually as part of our performance review process but can be adjusted in connection with a promotion or other change in job responsibility.

In March 2019, in connection with its annual review of our executive officer compensation program, the Compensation Committee evaluated the base salaries of our executive officers, including the Named Executive Officers other than Mr. Lawrence (who commenced employment with us on February 11, 2019 and whose base salary was determined in connection with the negotiation of the employment agreement he entered into when he joined our Company), taking into consideration the competitive market analysis prepared by Meridian, the recommendations of the executive management team for compensation (i.e., our Chief Executive Officer, Chief Human Resources Officer and Vice President of Compensation and Benefits), and the other factors described above in "Governance of Executive Compensation Program." Following this review, the Compensation

Committee determined to increase the base salaries of our executive officers, other than our Mr. Hicks and Mr. Lawrence, to better position their compensation against the competitive market. The Compensation Committee considered but did not make a base salary increase for Mr. Hicks because he declined an increase for 2019. All base salary increases were effective from the date approved by the Compensation Committee and did not apply retroactively from the beginning of the fiscal year.

Effective on October 20, 2019, the Compensation Committee increased the base salary of Mr. Lawrence from $685,000 to $705,000 and of Mr. Johnson from $459,500 to $480,000, reflecting the increased responsibility assumed by Mr. Lawrence for all marketing operations and by Mr. Johnson for our customer care operations during 2019 and again without retroactive effect.

The following table summarizes the base salaries of the Named Executive Officers for fiscal years 2018 and 2019, in each case at rate in effect on the last day of such fiscal year. The actual salary amounts earned by the Named Executive Officers for 2019 are reported in the Summary Compensation Table.

Name	Fiscal 2018 Base Salary ($)	Fiscal 2019 Base Salary ($)	Percentage Increase (%)
Ken C. Hicks	1,100,000	1,100,000	—
Michael P. Mullican	475,000	489,500	3.05
Steve P. Lawrence	N/A	705,000	—
Sam J. Johnson	446,250	480,000	7.56
Ken D. Attaway	435,000	448,000	2.99

In March 2020, in connection with its annual review of our executive officer compensation program, the Compensation Committee increased the base salary of each Named Executive Officer (except Mr. Hicks, who declined an increase), reflecting the Compensation Committee's assessment of the executive's individual contributions and performance during the 2019 . In order to bring the base salaries of the Named Executive Officers closer to the 50th percentile of our compensation peer group, the Compensation Committee increased the base salary of Mr. Mullican to $508,000, Mr. Lawrence to $730,000, Mr. Johnson to $498,500, and Mr. Attaway to $465,500.

Executive Team Bonus Plan

We seek to have a significant portion of the compensation of our executive officers, including the Named Executive Officers, tied to performance. To accomplish this objective, we provide our executive officers with the opportunity to earn cash bonuses to encourage the achievement of both Company and individual performance objectives and to reward those individuals who significantly impact our corporate results.

In March 2019, the Compensation Committee approved the Executive Team Bonus Plan, an incentive bonus plan which provided an opportunity for our executive officers, including the Named Executive Officers, to earn annual cash bonuses based on our ability to achieve both Company and individual performance objectives. The Compensation Committee approves the performance goals for each year's Executive Team Bonus Plan and believes that the targets it set for 2019 were challenging to achieve and reasonable and fairly incentivized participants. By setting the targets described below, the Compensation Committee established what it believed were stretch goals that would incentivize and reward exceptional employee performance without any guarantee that we would meet or exceed any such metrics in the prevailing business environment. The level of attainment of Company performance targets, other than total Company Adjusted EBITDA dollars, or Total Company EBITDA Dollars, and total Company sales, and of individual performance targets, other than his own, are recommended by Mr. Hicks to the Compensation Committee for its final approval.

The following table sets forth the metrics, the weighting of each metric and the minimum, target, and maximum levels of achievement (in each case, expressed as a percentage of the target payout), as well as the

percentage of target bonus payout to each of the Chief Executive Officer and all other Named Executive Officers at each level of achievement (expressed as a percentage of their target bonus opportunity) under the Executive Team Bonus Plan. For the Company performance metrics, we use linear interpolation to determine the payout percentage where the level of achievement falls between minimum and target or target and maximum levels of achievement. For executive officers to be eligible for any bonus payout, the Company must achieve a minimum actual Adjusted EBITDA dollars result of 80% of the Total Company EBITDA Dollars target as set and approved by the Compensation Committee.

			Level of Achievement			% of Target Bonus Payout			
	Metrics	Weighting	Threshold	Target	Maximum	Threshold	Target	Maximum CEO	Maximum All Others
Company Performance	Total Company EBITDA Dollars	40%	90%	100%	110%	50%	100%	300%	200%
	Total Company Sales	40%	93%	100%	103%	50%	100%	300%	200%
	ROIC %	10%	90%	100%	110%	50%	100%	300%	200%
Individual Performance	Individual Goals	10%	Does not meet all expectations	Meets expectations	Outstanding	50%	100%	300%	200%

Company Performance Metrics

Under the Executive Team Bonus Plan, there is a Company performance component that represents 90% of each Named Executive Officer's annual bonus opportunity. The Company performance metrics and weighting of total target bonus under the Executive Team Bonus Plan for 2019 were as follows for the Named Executive Officers: (i) Total Company EBITDA Dollars weighted at 40%; (ii) total Company sales weighted at 40%; and (iii) ROIC Percentage weighted at 10%. The level of achievement of these targets is subject to the final determination and approval of the Compensation Committee.

The Compensation Committee chose Adjusted EBITDA, sales and ROIC Percentage as the three Company performance metrics under the Executive Team Bonus Plan for the following reasons: (i) Adjusted EBITDA reflects the profitability of the Company, (ii) sales represents the growth of the Company; and (iii) ROIC Percentage represents the Company's return on its investments.

Total Company sales are defined as the sales on our income statement. The Company's ROIC Percentage is calculated as follows: (i) the numerator is defined as Adjusted EBITDA plus rent minus estimated taxes (24.5% tax rate assumption); and (ii) the denominator is defined as: (1) the sum of the 13-month average balances for: net receivables, inventory, prepaid expenses and other current assets, gross property and equipment, and other noncurrent assets, plus (2) eight times rent, minus (3) the sum of the 13-month average balances for: accounts payable, accrued liabilities, and income tax payable.

Individual Performance Metrics

Under the Executive Team Bonus Plan, there is an individual performance component that represents 10% of each Named Executive Officer's annual bonus opportunity. The maximum payout under the individual performance component is three times (or 30% of his target bonus) for Mr. Hicks and two times (or 20% of his target bonus) for the other Named Executive Officers, with a minimum possible payout of zero if there is a failure to achieve the individual performance metrics and a threshold payout at 50% of the individual performance metric target bonus if it is determined that there was a reasonable, but not full, level of achievement of the applicable metrics. The level of achievement of each Named Executive Officer's individual goals is determined holistically by Mr. Hicks and then recommended by him to the Compensation Committee for final approval (the Compensation Committee determines the level of achievement for Mr. Hicks without his input)). The individual performance metrics (none of which are individually weighted) for each of our Named Executive Officers for 2019 were as follows: (i) for Mr. Hicks, blended attainment of the performance goals applicable to

the whole executive officer team; (ii) for Mr. Mullican, increasing the productivity of our assets, improving our liquidity and balance sheet metrics, creating flexibility to re-finance our long-term debt, building an industry leading finance organization, and rigorously managing our expenses; (iii) for Mr. Lawrence, driving a power merchandiser strategy, developing a more exciting and productive shopping experience in our stores, creating a meaningful online business, and building an industry leading retail team; (iv) for Mr. Johnson, driving a power merchandiser strategy, developing a more exiting and productive shopping experience in our stores, building an industry leading retail team, and increasing the productivity of all of our assets; and (v) for Mr. Attaway, increasing the productivity of all our assets, driving a power merchandiser strategy, developing a more exciting and productive shopping experience in our stores, delivering top priority projects by ensuring prioritization of resources and adherence to schedule, and reducing total company shrink to deliver budget.

Achievement of Performance Goals

Bonus amounts are payable in a lump sum cash amount, and the payment with respect to any bonus amount under the Executive Team Bonus Plan is subject to a participant's continued employment through the payment date, which is typically in April following the end of the applicable fiscal year. Actual annual cash incentive awards were calculated by multiplying each Named Executive Officer's weighted average base salary for 2019 by his target bonus opportunity, which was then adjusted by an overall achievement factor based on the combined weighted achievement of the Company and individual performance metrics.

The following table summarizes the 2019 Company performance metric results:

		Level of Achievement		
	Metrics	Target	Achievement	Achievement as % of Target
Company Performance	Total Company EBITDA Dollars	$317.3 million	$323.2 million	101.9%
	Total Company Sales	$4.94 billion	$4.83 billion	97.9%
	ROIC %	13.7%	14.0%	102.2%

It was determined that each Named Executive Officers achieved his applicable individual performance goals at the targeted level of performance for 2019.

The following table summarizes the fiscal 2019 bonus earned by each Named Executive Officer under the Executive Team Bonus Plan based on actual performance, as compared to the target opportunity, for each of our Named Executive Officers:

Name	2019 Base Salary ($)(1)	Target Bonus (%)	Target Bonus Amount ($)	% of Salary Earned (%) for Achievement of Combined Company Performance Goals	% of Salary Earned (%) for Achievement of Individual Performance Goals	Overall Achievement Factor (%)	Actual Bonus Achieved ($)
Ken C. Hicks	1,100,000	150	1,650,000	154.9	15.0	169.9	1,868,667
Michael P. Mullican	487,822	100	487,822	93.6	10.0	103.6	505,353
Steve P. Lawrence(2)	690,730	120	828,876	112.3	12.0	124.3	858,663
Sam J. Johnson	463,840	100	463,840	93.6	10.0	103.6	480,509
Ken D. Attaway	446,495	100	446,495	93.6	10.0	103.6	462,541

(1) Bonus payments under the Executive Team Bonus Plan were calculated by multiplying each Named Executive Officer's weighted average base salary for 2019 (assuming for this purpose the number of days determined by subtracting the last day of the fiscal year from the first day) by his target bonus opportunity, which was then adjusted by an overall achievement factor based on the combined weighted achievement of the Company and individual performance metrics.

(2) Under the terms of the Executive Team Bonus Plan, annual bonuses are only prorated for participants who commence employment on or after February 15 of the applicable fiscal year. Because Mr. Lawrence commenced employment with us on February 11, 2019, his bonus payment was not prorated based on the number of days he worked in 2019. Mr. Lawrence's target bonus amount under the Executive Team Bonus Plan was agreed upon as the result of negotiations in connection with the commencement of his employment in order to incentivize him to join our Company. The target bonus amounts of each other Named Executive Officer are the same as those in effect for 2018 and none of our Named Executive Officers received an increase to their target bonus amount for 2020.

Sign-on Bonus Payment

Pursuant to Mr. Lawrence's employment agreement, dated January 29, 2019, he received a sign-on bonus of $200,000, which was paid by the Company within the first 30 days of his commencement of employment. Mr. Lawrence's employment agreement provides that if his employment had been terminated either by the Company for Cause or by Mr. Lawrence without Good Reason (as such terms are defined in his employment agreement), in either case, before he had completed twelve months of employment (i.e., before February 11, 2020), he would have been required to repay to the Company a pro-rated portion of the sign-on bonus, calculated based on the number of whole months remaining in such 12 month period from the termination date. Mr. Lawrence's employment agreement was negotiated at arm's-length, and the sign-on bonus was designed to make him whole for compensation to which he may have been entitled from his prior employer, and to provide him with market-competitive compensation and benefits.

Long-Term Equity Incentive Compensation

Our Named Executive Officers are provided long-term equity incentive compensation in the form of annual equity awards. The use of long-term equity incentives creates a link between executive compensation and our long-term performance and growth, thereby creating alignment between executive officer and equityholder interests.

The Compensation Committee believes that long-term incentive compensation is an effective means for incentivizing our executive officers, including the Named Executive Officers, to increase equity value over a multi-year period, provides a meaningful reward for appreciation in the value of our equity and long-term value creation, and motivates them to remain employed with us. Our equity award grant practices are designed to reflect a balance between:

- our desire to motivate, retain, and reward executive talent;
- our need to remain competitive in recruiting; and
- effectively managing the dilution of equityholders' interests.

The New Academy Holding Company LLC 2011 Unit Incentive Plan, or the 2011 Equity Plan, became effective on August 30, 2011 and has been subsequently amended on multiple occasions to increase the number of Membership Units available for issuance thereunder, most recently on August 26, 2020. Under the 2011 Equity Plan, we granted each Named Executive Officer options to purchase Membership Units of the Company, or Options, and phantom units that may be settled in Membership Units of the Company, or Restricted Units. Following the effectiveness of our 2020 Equity Plan (defined below), no further awards will be granted under the 2011 Equity Plan. However, all outstanding awards granted under the 2011 Equity Plan will continue to be governed by the existing terms of the 2011 Equity Plan and the applicable award agreements. We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to our existing 2011 Equity Plan and our 2020 Equity Plan and the ESPP (defined below) to be adopted in connection with this offering.

We use equity awards in the form of Options and Restricted Units to deliver the annual long-term incentive compensation opportunities to our executive officers, including the Named Executive Officers, and to address special situations as they may arise from time to time. The Compensation Committee believes that Options, when granted with exercise prices equal to the fair market value of our Membership Units on the date of grant, provide an appropriate long-term incentive for our executive officers, since the Options reward them only to the extent the price of our Membership Units increases and equityholders realize value following their grant date. The Compensation Committee believes that Restricted Unit awards help us to retain our executive officers and reward them for long-term stock price appreciation while at the same time providing some value to the recipient. The Compensation Committee also believes that Restricted Unit awards helps us to manage dilution to existing equityholders and provide greater transparency and predictability to our executive officers regarding the ultimate value of their compensation opportunities.

In determining the appropriate mix of Options and Restricted Units, the Compensation Committee considers competitive market data of the types of equity award compensation provided to executive officers by the companies in our compensation peer group, with a goal of reaching a mix that would provide the appropriate incentives while staying competitive in our market.

As discussed above, the Compensation Committee determines the amount of long-term incentive compensation for our executive officers as part of its annual compensation review and after taking into consideration the recommendations of the executive management team for compensation (i.e., our Chief Executive Officer, Chief Human Resources Officer and Vice President of Compensation and Benefits) which are based on a competitive market analysis, criticality of position and individual performance (both historical and expected future performance), the accounting impact of the proposed awards on our earnings, our "burn rate" in relation to the retail sector benchmarks, and the other factors described above in "Governance of Executive Compensation Program."

For more information regarding long-term equity incentive compensation, see "—Equity Compensation Plans."

Equity Awards under 2011 Equity Plan

Options

The Company has granted Options subject to time-based vesting, or Time Options, and Options subject to performance-based vesting, or Performance Options, to each Named Executive Officer pursuant to different forms of Option award agreements under the 2011 Equity Plan, as described below, each an Option Agreement.

Option Agreements of the Chief Executive Officer

2018 CEO Option Agreement

On September 16, 2018, the Company granted 518,135 Time Options and 259,068 Performance Options with an exercise price of $5.44 to Mr. Hicks pursuant to an Option Agreement under the 2011 Equity Plan, or the 2018 CEO Option Agreement.

With regard to vesting of Time Options, the 2018 CEO Option Agreement provides:

- 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the vesting commencement date (April 5, 2018), subject to Mr. Hicks' continued service through the applicable vesting date.
- Upon a termination of Mr. Hicks' service at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Hicks remained in service through such vesting date, will become vested and exercisable as of such termination.

- In connection with any Change of Control (as defined in the 2011 Equity Plan), any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

With regard to vesting of Performance Options, the 2018 CEO Option Agreement provides:

- The Performance Options will be eligible to become vested and exercisable, or Earned, with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs, such period, the Option Grant Year, in accordance with the following terms and conditions:
  - The Performance Options will become Earned based on the Company's level of achievement of consolidated Adjusted EBITDA for the Option Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth in the Option Agreement, such that the portion of the Performance Options that has been Earned shall become vested and exercisable on the vesting date required by the Option Agreement; provided that no portion of the Performance Options shall become Earned (and thereby become eligible to become vested and exercisable), unless Mr. Hicks remains in service through the date on which the Compensation Committee determines that the applicable condition(s) to becoming Earned has been satisfied.
    - If the Company's actual consolidated Adjusted EBITDA for the Option Grant Year is: (i) equal to or greater than the "high performance target," then 100% of the Performance Option shall be Earned; (ii) less than the "high performance target" but equal to or greater than the "low performance target," then a specified percentage (based on a linear performance scale) of the Performance Option shall be Earned; and (iii) less than the "low performance target," then none of the Membership Units that are subject to the Performance Option shall be Earned.
    - 25% of the portion of the Performance Option that has been Earned shall become vested and exercisable on the date of determination by the Compensation Committee of the Company's actual consolidated Adjusted EBITDA for the Option Grant Year and the remaining portion of the Performance Option that has been Earned shall become vested and exercisable on each monthly anniversary of the last day of the Option Grant Year in equal installments, such that 100% of the portion of the Performance Option that has been Earned shall be vested and exercisable on the third anniversary of the last day of the Option Grant Year.
    - The 2018 CEO Option Agreement further provides that (i) if any portion of the Performance Option that has not been Earned remains outstanding and unvested as of February 2, 2022, and (ii) the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of such date equals or exceeds the applicable target Membership Unit price, then 100% of the portion of the Performance Options that has not been Earned as of such date shall become vested and exercisable immediately upon such determination. No portion of the Performance Options may become vested pursuant to this paragraph following a termination of service for any reason.
  - Upon a termination of service at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained in service through such vesting date, will become vested and exercisable as of such termination.
- In connection with a Change of Control:
  - If such Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of

the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

- If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

As of the 2019 fiscal year end, the Performance Options granted under the 2018 CEO Option Agreement have not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 CEO Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued service.

2019 CEO Option Agreement

On March 7, 2019, the Company granted 694,301 Time Options and 341,969 Performance Options with an exercise price of $5.26 to Mr. Hicks pursuant to an Option Agreement under the 2011 Equity Plan, or the 2019 CEO Option Agreement.

The 2019 CEO Option Agreement is substantially similar to the 2018 CEO Option Agreement, except that (i) vesting is measured from the grant date (not an earlier vesting commencement date), and (ii) with respect to any portion of the Performance Option that has not been Earned and remains outstanding and unvested following the Compensation Committee's determination for the Option Grant Year, the applicable target Membership Unit price is different and the measurement date is January 28, 2023.

As described above, in order for the Performance Options to vest under the 2019 CEO Option Agreement, the Compensation Committee must certify that the Company achieved the 2019 Adjusted EBITDA dollar target. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 CEO Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 CEO Option Agreement.

2020 CEO Option Agreement

On March 5, 2020, the Company granted 870,757 Time Options with an exercise price of $5.49 to Mr. Hicks pursuant to an Option Agreement under the 2011 Equity Plan, or the 2020 CEO Option Agreement.

With regard to vesting of Time Options, the 2020 CEO Option Agreement provides:

- 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the grant date, subject to Mr. Hicks' continued service through the applicable vesting date; provided, that if his service is terminated by the Company without Cause or due to his resignation for Good Reason (as such terms are defined in Mr. Hicks' employment agreement) at any time prior to the sixth monthly anniversary of the grant date, then 6/48th of the Time Options shall be vested and exercisable on the date of such termination.
- Upon a termination of Mr. Hicks' service at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time

Option immediately following the date of such termination, had he remained in service through such vesting date, will become vested and exercisable as of such termination.

- In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

Option Agreements of the Other Named Executive Officers

2016 Executive Option Agreement

On March 27, 2016, the Company granted 118,337 Time Options with an exercise price of $5.30 (repriced down from $5.96 by the Compensation Committee in 2018) to Mr. Attaway pursuant to an Option Agreement under the 2011 Equity Plan, or the 2016 Executive Option Agreement.

The 2016 Executive Option Agreement is substantially similar to the 2018 CEO Option Agreement, except that it contains the following vesting schedule with respect to the Time Options:

- 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to Mr. Attaway's continued service through the applicable vesting date.

Pursuant to the 2016 Executive Option Agreement, the Company also granted Mr. Attaway 59,169 Performance Options, which, after failing to achieve the performance goal initially applicable in 2016, could only become vested if the Compensation Committee certified that the Company achieved the target Membership Unit price of $12.25 as of February 1, 2020. Because the market value of a Membership Unit was $5.49 as of February 1, 2020, the Compensation Committee determined that the Performance Options granted to Mr. Attaway pursuant to the 2016 Executive Option Agreement were forfeited on that date.

2017 Executive Option Agreement

The Company granted the following awards of Options to each of Messrs. Mullican, Johnson, and Attaway pursuant to an Option Agreement under the 2011 Equity Plan, or the 2017 Executive Option Agreement:

- On March 23, 2017, the Company granted 98,523 Time Options and 49,261 Performance Options with an exercise price of $5.30 (repriced down from $6.03 by the Compensation Committee in 2018) to Mr. Mullican;
- On June 6, 2017, the Company granted 73,892 Time Options and 36,946 Performance Options with an exercise price of $5.30 (repriced down from $6.03 by the Compensation Committee in 2018) to Mr. Johnson; and
- On March 23, 2017, the Company granted 123,154 Time Options and 61,576 Performance Options with an exercise price of $5.30 (repriced down from $6.03 by the Compensation Committee in 2018) to Mr. Attaway.

The 2017 Executive Option Agreement is substantially similar to the 2018 CEO Option Agreement, except as described below.

With regard to Time Options:

- 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to the grantee's continued service through the applicable vesting date.

With regard to Performance Options:

- 25% of the portion of the Performance Option that has been Earned shall become vested and exercisable on the date of determination by the Compensation Committee of the Company's actual

consolidated Adjusted EBITDA for the Option Grant Year and the remaining portion of the Performance Option that has been Earned shall become vested and exercisable on each anniversary of the last day of the Option Grant Year in equal installments of 25%, such that 100% of the portion of the Performance Option that has been Earned shall be vested and exercisable on the third anniversary of the last day of the Option Grant Year.

- For any portion of the Performance Option that has not been Earned and remains outstanding and unvested following the Compensation Committee's determination for the Option Grant Year, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of February 1, 2021 equals or exceeds the applicable target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued service.

For 2017, the Compensation Committee determined on March 6, 2018 that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "high performance target" but greater than the "low performance target." Accordingly, a specified percentage (56.5%) of the Performance Options granted under the 2017 Executive Option Agreement, as determined by the linear performance scale, were Earned and vest pursuant to the applicable time vesting provisions for Performance Options in the 2017 Executive Option Agreement, with the remaining portion of the Performance Options not being Earned. Pursuant to the 2017 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued service.

2018 Executive Option Agreement

The Company granted the following awards of Options to each of Messrs. Mullican, Johnson, and Attaway pursuant to an Option Agreement under the 2011 Equity Plan, or the 2018 Executive Option Agreement:

- On April 5, 2018, the Company granted 128,825 Time Options and 64,412 Performance Options with an exercise price of $5.23 to Mr. Mullican;
- On April 5, 2018, the Company granted 104,670 Time Options and 52,335 Performance Options with an exercise price of $5.23 to Mr. Johnson; and
- On April 5, 2018, the Company granted 112,722 Time Options and 56,361 Performance Options with an exercise price of $5.23 to Mr. Attaway.

The 2018 Executive Option Agreement is substantially similar to the 2017 Executive Option Agreement except that for any portion of the Performance Option that has not been Earned and remains outstanding and unvested following the Compensation Committee's determination for the Option Grant Year, the target Membership Unit price is different and the measurement date is February 2, 2022 for each of Messrs. Mullican, Johnson, and Attaway.

As of the 2019 fiscal year end, the Performance Options granted under the 2018 Executive Option Agreement had not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued service.

2019 Executive Option Agreement

The Company granted the following awards of Options to each of Messrs. Mullican, Lawrence, Johnson, and Attaway pursuant to an Option Agreement under the 2011 Equity Plan, or the 2019 Executive Option Agreement:

- On March 7, 2019, the Company granted:
  - 138,861 Time Options and 68,393 Performance Options with an exercise price of $5.26 to Mr. Mullican;
  - 411,270 Time Options and 106,865 Performance Options with an exercise price of $5.26 to Mr. Lawrence in connection with the commencement of his employment with us, pursuant to his employment agreement;
  - 121,504 Time Options and 59,844 Performance Options with an exercise price of $5.26 to Mr. Johnson; and
  - 112,824 Time Options and 55,570 Performance Options with an exercise price of $5.26 to Mr. Attaway.

The 2019 Executive Option Agreement is substantially similar to the 2017 Executive Option Agreement, except that for any portion of the Performance Option that has not been Earned and remains outstanding and unvested following the Compensation Committee's determination for the Option Grant Year: (i) the target Membership Unit price is different and the measurement date is February 3, 2023 for each of Messrs. Mullican, Johnson, and Attaway, and (ii) the target Membership Unit price is different and the measurement date is January 28, 2023 for Mr. Lawrence.

As described above, in order for the Performance Options to vest under the 2019 Executive Option Agreement, the Compensation Committee must certify that the Company achieved the 2019 Adjusted EBITDA dollar target. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 Executive Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 Executive Option Agreement.

2020 Executive Option Agreement

The Company granted the following awards of Options to each of Messrs. Mullican, Lawrence, Johnson, and Attaway pursuant to an Option Agreement under the 2011 Equity Plan, or the 2020 Executive Option Agreement:

- On March 5, 2020, the Company granted:
  - 156,736 Time Options with an exercise price of $5.49 to Mr. Mullican;
  - 217,689 Time Options with an exercise price of $5.49 to Mr. Lawrence;
  - 156,736 Time Options with an exercise price of $5.49 to Mr. Johnson; and
  - 113,198 Time Options with an exercise price of $5.49 to Mr. Attaway.

With regard to vesting of Time Options, the 2020 Executive Option Agreement provides:

- 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to the grantee's continued service through the applicable vesting date.

- Upon a termination of the grantee's service at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had the grantee remained in service through such vesting date, will become vested and exercisable as of such termination.
- In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

Restricted Units

The Company has granted Restricted Units to each Named Executive Officer pursuant to different forms of Restricted Unit award agreements under the 2011 Equity Plan, as described below, each a Restricted Unit Agreement. As of February 1, 2020, the Company had not recognized stock-based compensation expense for Restricted Units, some of which are subject to both a service-based vesting condition and a liquidity event-based vesting condition and others which are subject to a service-based vesting condition, a Company performance vesting condition, and a liquidity event-based vesting condition, because in each case the liquidity event had not occurred and, therefore, cannot be considered probable. In the period in which the Company's liquidity event is probable (e.g., in connection with the consummation of this offering), the Company will record a cumulative one-time equity-based compensation expense determined using the grant date fair values. Equity-based compensation related to remaining time-based service after the liquidity event will be recorded over the remaining requisite service period.

Restricted Unit Agreements of the CEO

2018 Independent Non-Employee Director Restricted Unit Agreement

On March 6, 2018, the Company granted 19,121 Restricted Units to Mr. Hicks for his service as a member of the Board pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the 2018 Independent Non-Employee Director Restricted Unit Agreement.

The 2018 Independent Non-Employee Directors Restricted Unit Agreement provides that, subject to Mr. Hicks' continued service on such date, 100% of the Restricted Units shall vest on the earliest of (i) March 6, 2019, (ii) his termination of service due to death or disability or (iii) a Change of Control. The Restricted Units under the 2018 Independent Non-Employee Directors Restricted Unit Agreement became fully vested on March 6, 2019.

2018 CEO Restricted Unit Agreement

On September 16, 2018, the Company granted 735,295 Restricted Units to Mr. Hicks pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or as amended on January 30, 2019, the 2018 CEO Restricted Unit Agreement.

The 2018 CEO Restricted Unit Agreement provides:

- Settlement of Restricted Units is conditioned on satisfaction of two vesting requirements before the seventh anniversary of the grant date (or earlier termination of Restricted Units pursuant to the Restricted Unit Agreement): (i) a time and service based requirement, or the Time and Service Based Requirement, and (ii) a liquidity event requirement, or the Liquidity Event Requirement, each as described in clauses (1) and (2) below:
  - (1) The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of this offering, and (ii) the date of a Change of Control, any of the foregoing (i) and (ii) being an Initial Vesting Event, if Mr. Hicks is in continuous service on the date of the Initial Vesting Event.

- (2) Provided that Mr. Hicks is in continuous service on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Restricted Units:
  - (i) If the Initial Vesting Event occurs prior to the 24th monthly anniversary of the vesting commencement date (June 22, 2018), the total number of Restricted Units that will vest on the Initial Vesting Event shall be increased by 1/24th upon each monthly anniversary of the vesting commencement date, and
  - (ii) If the Initial Vesting Event occurs on or after the 24th monthly anniversary of the vesting commencement date, all of the Restricted Units will vest on the Initial Vesting Event;

provided, that, if Mr. Hicks is in continuous service on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to 100% of the Restricted Units.

Restricted Units will only vest as set forth below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the expiration date of the Restricted Units:

- Restricted Units Vested at Initial Vesting Event.
  - If Mr. Hicks is in continuous service on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all (100%) of the Restricted Units will become vested upon the Change of Control, and (ii) if the Initial Vesting Event is an IPO (such as this offering), the Restricted Units shall become vested as of the IPO based on the vesting schedule set forth in clause (2) above and any then-unvested Restricted Units shall be subject to continued vesting on the vesting schedule set forth below with regard to "Restricted Units Vested after IPO", if applicable.
  - If Mr. Hicks' continuous service terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including those Restricted Units that met the Time and Service Based Requirement at the time of Mr. Hicks' termination of service, will be forfeited as of the date of his termination of service.
- Restricted Units Vested after IPO.
  - If Mr. Hicks is in continuous service on the date of this offering, then with respect to any unvested Restricted Units as of such date, vesting will continue under the Time and Service Based Requirement as set forth in clause (2) above, each vesting date a Subsequent Vesting Event. If his service is terminated at any time following this offering, any then-unvested Restricted Units shall be forfeited as of the date of his termination of service.

The 2018 CEO Restricted Unit Agreement provides that within 30 days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO (such as this offering), the Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated.

2020 CEO Restricted Unit Agreement

On March 5, 2020, the Company granted 303,279 Restricted Units to Mr. Hicks pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the 2020 CEO Restricted Unit Agreement.

The 2020 CEO Restricted Unit Agreement provides that only "Earned Restricted Units" are eligible to become vested in accordance with the vesting schedule set forth therein. Restricted Units become "Earned

Restricted Units" based on (i) the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs, such period, the RU Grant Year, or (ii) the Company's achievement of a specified target Membership Unit price, or (iii) a Change of Control occurring during the RU Grant Year, in each case of clauses (i) and (ii) above in accordance with the performance targets set forth in the 2020 CEO Restricted Unit Agreement.

If the Company's actual consolidated Adjusted EBITDA for the RU Grant Year is: (i) equal to or greater than the "high performance target," then 100% of the Restricted Units shall be Earned Restricted Units; (ii) less than the "high performance target" but equal to or greater than the "low performance target," then a specified percentage (based on a linear performance scale) of the Restricted Units shall be Earned Restricted Units; and (iii) less than the "low performance target," then none of the Restricted Units shall become Earned Restricted Units.

The 2020 CEO Restricted Unit Agreement provides that if prior to consummation of an IPO or Change of Control (i) any Restricted Units that have not become Earned Restricted Units remain outstanding and unvested as of February 2, 2024, and (ii) the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of such date equals or exceeds the applicable target Membership Unit price, then 100% of the Restricted Units that have not become Earned Restricted Units as of such date shall become Earned Restricted Units immediately upon such determination by the Compensation Committee. No Restricted Units may become Earned Restricted Units pursuant to this paragraph following a termination of service for any reason or following the consummation of an IPO or Change of Control.

The 2020 CEO Restricted Unit Agreement further provides that (i) if a Change of Control occurs during the RU Grant Year, then all outstanding Restricted Units shall automatically become Earned Restricted Units immediately prior to such Change of Control and (ii) if a Change of Control occurs following the RU Grant Year, any Restricted Units that are not Earned Restricted Units as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

With regard to vesting, the 2020 CEO Restricted Unit Agreement provides:

- Earned Restricted Units have two vesting requirements that must occur before the 10th anniversary of the grant date (or earlier termination of Restricted Units pursuant to the Restricted Unit Agreement): (i) a time and service based requirement, or the Time and Service Based Requirement and (ii) a liquidity event requirement, or the Liquidity Event Requirement, each as described in clauses (1) and (2) below:
  - (1) The Liquidity Event Requirement will be satisfied on the earlier to occur of: (i) the consummation of this offering, and (ii) the date of a Change of Control, any of the foregoing (i) and (ii) being an Initial Vesting Event, if Mr. Hicks is in continuous service on the date of the Initial Vesting Event.
  - (2) Provided that Mr. Hicks is in continuous service on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Earned Restricted Units:
    - (i) If the Initial Vesting Event occurs prior to the 48th monthly anniversary of the grant date, the total number of Earned Restricted Units that will vest on the Initial Vesting Event shall be increased by 1/48th upon each monthly anniversary of the grant date; provided, that, if Mr. Hicks' service is terminated by the Company without Cause or due to his resignation for Good Reason (as such terms are defined in Mr. Hicks' employment agreement) prior to the sixth monthly anniversary of the grant date, then 6/48th of the Earned Restricted Units will vest on the Initial Vesting Event, and
    - (ii) If the Initial Vesting Event occurs on or after the 48th monthly anniversary of the grant date, all of the Earned Restricted Units will vest on the Initial Vesting Event;

provided, that, if Mr. Hicks is in continuous service on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to 100% of the Earned Restricted Units.

Earned Restricted Units will only vest as set forth below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the expiration date of the Restricted Units:

- Earned Restricted Units Vested at Initial Vesting Event.
  - If Mr. Hicks is in continuous service on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the Earned Restricted Units will become vested upon the Change of Control, and (ii) if the Initial Vesting Event is an IPO (such as this offering), the Earned Restricted Units shall become vested as of the IPO based on the vesting schedule set forth in clause (2) above and any then-unvested Earned Restricted Units shall be subject to continued vesting on the vesting schedule set forth below with regard to "Earned Restricted Units Vested after IPO", if applicable.
  - If Mr. Hicks' continuous service terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units (including those Earned Restricted Units that met the Time and Service Based Requirement at the time of his termination of service) will be forfeited as of the date of his termination of service.
- Earned Restricted Units Vested after IPO.
  - If Mr. Hicks is in continuous service on the date of this offering, then with respect to any unvested Earned Restricted Units as of such date, vesting will continue under the Time and Service Based Requirement schedule as set forth in clause (2) above, each vesting date, a Subsequent Vesting Event. If his service is terminated at any time following this offering, any then-unvested Earned Restricted Units shall be forfeited as of the date of his termination of service.

The 2020 CEO Restricted Unit Agreement provides that within 30 days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Earned Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO (such as this offering), the Earned Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated.

Restricted Unit Agreements of the Other Named Executive Officers

2018 Executive Restricted Unit Agreement

The Company granted the following awards of Restricted Units to each of Messrs. Mullican, Johnson, and Attaway pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the 2018 Executive Restricted Unit Agreement.

- On June 22, 2018, the Company granted
  - 377,359 Restricted Units to Mr. Mullican;
  - 235,850 Restricted Units to Mr. Johnson; and
  - 141,510 Restricted Units to Mr. Attaway.

With regard to vesting, the 2018 Executive Restricted Unit Agreement provides:

- Settlement of Restricted Units is conditioned on satisfaction of two vesting requirements before the fifth anniversary of the grant date (or earlier termination of Restricted Units pursuant to the Restricted Unit Agreement): (i) a time and service based requirement, or the Time and Service Based

Requirement and (ii) a liquidity event requirement, or the Liquidity Event Requirement, each as described in clauses (1) and (2) below:

- (1) The Liquidity Event Requirement will be satisfied on the earlier to occur of: (i) the consummation of this offering, and (ii) the date of a Change of Control, any of the foregoing (i) and (ii) being an Initial Vesting Event, if the grantee is in continuous service on the date of the Initial Vesting Event.
- (2) Provided that the grantee is in continuous service on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Restricted Units:
    - (i) 25% on or after the first anniversary of the grant date but prior to the second anniversary of the grant date,
    - (ii) 25% on or after the second anniversary of the grant date but prior to the third anniversary of the grant date,
    - (iii) 25% on or after the third anniversary of the grant date but prior to the fourth anniversary of the grant date, and
    - (iv) 25% on or after the fourth anniversary of the grant date;

provided, that, if the grantee is in continuous service on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to 100% of the Restricted Units.

Restricted Units will only vest as set forth below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the expiration date of the Restricted Units:

- Restricted Units Vested at Initial Vesting Event.
    - If the grantee is in continuous service on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the Restricted Units will become vested upon the Change of Control, and (ii) if the Initial Vesting Event is an IPO (such as this offering), the Restricted Units shall become vested as of the IPO based on the vesting schedule set forth in clause (2) above and any then-unvested Restricted Units shall be subject to continued vesting on the vesting schedule set forth below with regard to “Restricted Units Vested after IPO”, if applicable.
    - If the grantee’s continuous service terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including all Restricted Units that met the Time and Service Based Requirement at the time of the grantee’s termination of service, will be forfeited as of the date of the grantee’s termination of service.
- Restricted Units Vested after IPO.
    - If the grantee is in continuous service on the date of this offering, then with respect to any unvested Restricted Units as of such date, vesting will continue under the Time and Service Based Requirement as set forth in clause (2) above, each vesting date a Subsequent Vesting Event. If the grantee’s service is terminated at any time following this offering, any then-unvested Restricted Units shall be forfeited as of the date of the grantee’s termination of service.

The 2018 Executive Restricted Unit Agreement provides that within 30 days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO (such as this offering), the Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated.

2019 Executive Restricted Unit Agreement

On March 7, 2019, the Company granted 142,586 Restricted Units to Mr. Lawrence in connection with the commencement of his employment with us pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the 2019 Executive Restricted Unit Agreement. The 2019 Executive Restricted Unit Agreement is identical to the 2018 Executive Restricted Unit Agreement.

2020 Executive Restricted Unit Agreement

The Company granted the following awards of Restricted Units to each of Messrs. Mullican, Lawrence, Johnson, and Attaway pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the 2020 Executive Restricted Unit Agreement:

- On March 5, 2020, the Company granted:
  - 54,591 Restricted Units to Mr. Mullican;
  - 75,820 Restricted Units to Mr. Lawrence;
  - 54,591 Restricted Units to Mr. Johnson; and
  - 39,427 Restricted Units to Mr. Attaway.

The 2020 Executive Restricted Unit Agreement is substantially similar to the 2020 CEO Restricted Unit Agreement, except that it contains the following vesting schedule with respect to the Time and Service Based Requirement:

- Provided that the grantee is in continuous service on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Earned Restricted Units:
  - (i) 25% on or after the date of determination by the Compensation Committee of the Company's actual consolidated Adjusted EBITDA for the RU Grant Year but prior to the second anniversary of the vesting commencement date (February 2, 2020),
  - (ii) 50% on or after the second anniversary of the vesting commencement date but prior to the third anniversary of the vesting commencement date,
  - (iii) 75% on or after the third anniversary of the vesting commencement date but prior to the fourth anniversary of the vesting commencement date, and
  - (iv) 100% on or after the fourth anniversary of the vesting commencement date.

Additional Restricted Unit Awards Granted in 2020

On August 26, 2020, the Company granted the following awards of Restricted Units to each of the Named Executive Officers pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, or the August 2020 Restricted Unit Agreement:

- 777,203 to Mr. Hicks;
- 345,424 to Mr. Mullican;
- 345,424 to Mr. Lawrence;
- 345,424 to Mr. Johnson; and
- 86,356 to Mr. Attaway.

The August 2020 Restricted Unit Agreement provides:

- Settlement of Restricted Units is conditioned on satisfaction of two vesting requirements before the tenth anniversary of the grant date (or earlier termination of Restricted Units pursuant to the Restricted Unit Agreement): (i) a time and service based requirement, or the Time and Service Based Requirement, and (ii) a liquidity event requirement, or the Liquidity Event Requirement, each as described in clauses (1) and (2) below:
  - (1) The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of this offering, (ii) the consummation of an acquisition of the Company or one of its affiliates by, or merger of the Company or one of its affiliates with, a publicly traded special purpose acquisition company, which consummation does not thereupon result in a Change of Control, or a SPAC Event, and (iii) the date of a Change of Control, any of the foregoing (i) to (iii) being an Initial Vesting Event, if the executive is in continuous service on the date of the Initial Vesting Event.
  - (2) Provided that the executive is in continuous service on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Restricted Units:
    - 25% on or after the first anniversary of the grant date but prior to the second anniversary of the grant date, and
    - 75% on or after the second anniversary of the grant date;

provided, that, if the executive is in continuous service on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to 100% of the Restricted Units.

Restricted Units will only vest as set forth below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the expiration date of the Restricted Units:

- Restricted Units Vested at Initial Vesting Event.
  - If the executive is in continuous service on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all (100%) of the Restricted Units will become vested upon the Change of Control, and (ii) if the Initial Vesting Event is a SPAC Event or an IPO (such as this offering), the Restricted Units shall become vested as of the SPAC Event or IPO based on the vesting schedule set forth in clause (2) above and any then-unvested Restricted Units shall be subject to continued vesting on the vesting schedule set forth below with regard to “Restricted Units Vested after SPAC Event or IPO”, if applicable.
  - If the executive’s continuous service terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including those Restricted Units that met the Time and Service Based Requirement at the time of the termination of service, will be forfeited as of the date of termination of service.
- Restricted Units Vested after SPAC Event or IPO.
  - If the executive is in continuous service on the date of the SPAC Event or this offering, then with respect to any unvested Restricted Units as of such date, vesting will continue under the Time and Service Based Requirement as set forth in clause (2) above, each vesting date a Subsequent Vesting Event. If the executive’s service is terminated at any time following the SPAC Event or this offering, any then-unvested Restricted Units shall be forfeited as of the date of termination of service.

The August 2020 Restricted Unit Agreement provides that within 30 days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Restricted Units that vest as of the

Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO (such as this offering), the Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated.

IPO Equity Awards under 2020 Equity Plan

Prior to the completion of this offering, the Compensation Committee will adopt, and we expect our equityholders to approve, the Company's 2020 Omnibus Incentive Plan (the "2020 Equity Plan"). Equity awards under the 2020 Equity Plan will be designed to reward our employees, including our Named Executive Officers, for long-term equityholder value creation. In determining equity awards for our Named Executive Officers, we anticipate that our Compensation Committee will take into account the Company's overall financial performance as well as its performance versus competitor firms. The awards expected to be made under the 2020 Equity Plan concurrent with the closing of this offering, as described below, will be granted to ensure such individuals' alignment with our equityholders' interests and to provide a retention element to their compensation.

Pursuant to the 2020 Equity Plan, concurrent with the closing of this offering, we expect to grant options in the aggregate and restricted stock units in the aggregate to employees who are not Section 16 officers. The options will have a per share exercise price equal to the initial public offering price in this offering.

Other Compensation

Retirement Benefits

We maintain a 401(k) plan, which is intended to be qualified under Section 401(a) of the Code, with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. Our 401(k) plan provides eligible U.S. employees, including the Named Executive Officers, with an opportunity to save for retirement on a tax-advantaged basis. Under our 401(k) plan, eligible employees may defer eligible compensation subject to applicable annual contribution limits imposed by the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the plan. Employees are immediately and fully vested in their contributions. Employees are eligible for employer matching on the anniversary of their hire date and the completion of 1,000 work hours. We match up to 6% of employee eligible compensation based on the employee's deferrals, up to applicable IRS limits, per calendar year for each employee and such matching contributions are immediately and fully vested.

No Pension Benefits

Other than with respect to our 401(k) plan, our U.S. employees, including the Named Executive Officers, do not participate in any plan that provides for retirement payments and benefits, or payments and benefits that will be provided primarily following retirement.

No Nonqualified Deferred Compensation

During 2019, our employees, including the Named Executive Officers, did not contribute to, or earn any amounts with respect to, any defined contribution or other plan sponsored by us that provides for the deferral of compensation on a basis that is not tax-qualified.

Health Benefits

We provide various employee benefit programs to our Named Executive Officers, including medical, vision, dental, life insurance, accidental death and dismemberment, long-term disability, short-term disability, health savings accounts and wellness programs. These benefit programs are generally available to all of our salaried full-time employees.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

Perquisites and Other Benefits

The benefits described below are provided to the Named Executive Officers to eliminate potential distractions from performing their regular job duties and to promote productivity, health and wellbeing. We believe the cost of these programs is counterbalanced by an increase in productivity by the Named Executive Officers receiving access to them. All of the perquisites and personal benefits described below have been approved by, and future practices with respect to perquisites or other personal benefits will be approved by, and all such perquisites and personal benefits shall be subject to periodic review by, the Compensation Committee.

General

In order to maintain competitiveness in the market as well as to maintain continuity of leadership by encouraging physical and financial well-being, the Compensation Committee approved reimbursement for annual physicals (up to an amount of $2,000, with a tax gross-up for Mr. Hicks to cover such reimbursement in the additional amount of $2,032) and a financial planning allowance (in the amount of $5,000 with no tax gross up) for each of the Named Executive Officers in 2019.

The Company partners with various athletic organizations for business purposes and these organizations may include tickets to their events as part of our partnership with them. Executive officers and employees may have the opportunity to use these tickets for personal use, only if they are not already being used for business purposes. There is no incremental cost to the Company for providing these individual tickets to employees.

Mr. Hicks

Pursuant to Mr. Hicks' employment agreement, he is entitled to certain perquisites. Specifically, during Mr. Hicks' employment:

(i) the Company shall pay directly or reimburse him for reasonable monthly rent and utilities costs (including electric, gas, water, alarm, cable, housekeeping, and internet but excluding meals and laundry) for a furnished rental apartment in the Katy, Texas area;

(ii) he shall have use of a company-owned vehicle when in Katy, Texas with satellite radio and all maintenance and insurance costs with respect to such vehicle; and

(iii) the Company shall pay directly or reimburse him on a monthly basis for reasonable and necessary expenses incurred by him in connection with commuting from his residence in California to Katy, Texas (including jet card payments for private air travel, cost of catering on the flights and transportation to and from airports).

In addition, Mr. Hicks is entitled to receive from the Company on a monthly basis an additional payment in an amount sufficient to indemnify him on a net after-tax basis for any income tax associated with the provision of any of the perquisites described above.

Mr. Johnson

In 2019, pursuant to his employment agreement, the Company provided Mr. Johnson reimbursement for relocation expenses, with a tax gross-up.

Mr. Attaway

In 2019, Mr. Attaway received tax preparation reimbursement regarding his Allstar Managers unit subscription, which was offered to all employees who subscribed for units at that time. This benefit will cease to apply in 2020 by mutual agreement of the Company and Mr. Attaway.

Severance and Change of Control Arrangements

Each Named Executive Officer is entitled to receive severance benefits under the terms of his employment agreement upon either termination by us without cause or a resignation by the Named Executive Officer for good reason. We provide these severance benefits in order to provide an overall compensation package that is competitive with that offered by the companies with whom we compete for executive talent. Severance benefits provide retention incentives and allow our executives to focus on our objectives without concern for their employment security in the event of a termination.

In addition, we have approved accelerated vesting provisions for Options and Restricted Units granted to Named Executive Officers in connection with a change of control, and limited acceleration in the cases of termination due to death or disability in the absence of a change of control. We believe these accelerated vesting provisions reflect current market practices, based on the collective knowledge and experiences of our Compensation Committee members and executive team for compensation, and allow us to attract and retain the highest level of talented and experienced executive officers. We also believe that these accelerated vesting provisions will encourage our executive officers to focus on continuing normal business operations, remain dedicated to innovating and exploring potential business combinations that may not be in their personal best interests, and maintain a balanced perspective in making overall business decisions during potentially uncertain periods. Please see "—Potential Payments Upon Termination or Change of Control" for additional information regarding accelerated vesting in connection with a change of control.

Tax and Accounting Implications

The Compensation Committee operates its compensation programs with the good faith intention of complying with Section 409A of the Code. We account for equity-based payments with respect to our long-term equity incentive award programs in accordance with the requirements of FASB Accounting Standards Codification Topic 718, Compensation—Stock Compensation, or FASB ASC Topic 718.

SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation earned by our Named Executive Officers in the fiscal year ended February 1, 2020 (or 2019). We have omitted from this table the columns for Change in Pension Value and Nonqualified Deferred Compensation Earnings, because no Named Executive Officer received such types of compensation during 2019.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non Equity Incentive Plan Compensation ($)(5)	All Other Compensation ($)(6)	Total ($)
Ken C. Hicks Chairman, President, and Chief Executive Officer	2019	1,100,000	—	—	2,808,290	1,868,667	1,089,042	6,865,999
Michael P. Mullican EVP, Chief Financial Officer	2019	487,827	—	—	571,336	505,353	23,667	1,588,183
Steven P. Lawrence EVP, Chief Merchandising Officer(7)	2019	677,596	200,000	—	1,428,983	858,663	—	3,165,242
Samuel J. Johnson EVP, Retail Operations	2019	463,884	—	—	499,922	480,509	53,867	1,498,182
Kenneth D. Attaway EVP, Chief Operations Officer	2019	446,500	—	—	464,211	462,541	26,204	1,399,456

(1) The amounts reported in this column represent the Named Executive Officer's base salary earned during 2019.

(2) Pursuant to Mr. Lawrence's employment agreement, dated January 29, 2019, he received a sign-on bonus of $200,000, which was paid by the Company within the first 30 days of his commencement of employment. This sign-on bonus was subject to a pro-rata repayment obligation that expired on February 11, 2020, the first anniversary of Mr. Lawrence's employment with us.

(3) Pursuant to Mr. Lawrence's employment agreement, dated January 29, 2019, the Company granted 142,586 Restricted Units to Mr. Lawrence on March 7, 2019. However, as of February 1, 2020, the Company had not recognized equity-based compensation expense for any of the outstanding Restricted Units granted to employees, which are subject to both a service-based vesting condition and a liquidity event-based vesting condition. In the period in which the Company's liquidity event occurs (e.g., in connection with the consummation of this offering), the Company will record a cumulative stock-based compensation expense for the then vested awards. Equity-based compensation related to remaining time-based service after the liquidity event will be recorded over the remaining requisite service period. The grant date fair value of the Restricted Units, assuming the achievement of the liquidity event-based vesting condition, would have been $750,002 for Mr. Lawrence (based on a grant date fair value per Restricted Unit of $5.26).

(4) The amounts reported in this column represent the grant date fair value of the Time Options and Performance Options granted to each of the Named Executive Officers in 2019 pursuant to an Option Agreement under the 2011 Equity Plan, computed in accordance with FASB Accounting Standards Codification Topic 718. The valuation assumptions used in determining such amounts are described in Note 10, *Equity and Unit-Based Compensation* to our audited consolidated financial statements included in our Annual Report, incorporated by reference in this prospectus. The grant date fair value of the Performance Options, which vest based on performance-vesting criteria, is based upon the probable outcome of the performance conditions at the date of grant and assumes the "target" level of performance is achieved, which is the highest level of performance condition achievable for the awards.

(5) The amounts reported in this column represent the annual incentive bonus amounts earned by each Named Executive Officer pursuant to the Executive Team Bonus Plan for 2019.

(6) For a description of our perquisites, see "Other Compensation—Perquisites and Other Benefits" in this Compensation Discussion and Analysis.

"All Other Compensation" for Mr. Hicks includes the following perquisites, pursuant to Mr. Hicks' employment agreement and which were approved by the Compensation Committee:

(i) $49,341 for monthly rent and utilities costs (including electric, gas, water, alarm, cable, housekeeping and internet but excluding meals and laundry) for a furnished rental apartment in the Katy, Texas area, which includes a $57,638 tax-gross up on these amounts;

(ii) $14,002 for use of a Company-owned vehicle when in Katy, Texas with satellite radio and all maintenance and insurance costs with respect to such vehicle (calculated as described below), which includes a $16,959 tax gross-up on the cost of the Company vehicle usage; and

(iii) $744,754 for expenses incurred in connection with commuting from his residence in California to Katy, Texas (including jet card payments for private air travel, cost of meals on the flights and $3,314 for transportation to and

from airports), which includes a $54,545 tax-gross up on the cost of flights and a $3,954 tax-gross up on the cost of transportation to and from his flights to his home.

"All Other Compensation" for Mr. Hicks also includes: (i) $5,000 for financial planning services; (ii) $1,835 in connection with an executive physical and $2,032 in related tax gross-up; and (iii) $21,884 for the employer matching contribution by the Company under our 401(k) plan.

We calculated the incremental cost to us for Mr. Hicks' personal use of a Company vehicle (including commuting and business travel not considered directly and integrally related to the performance of his duties) based on the depreciation expense, cost of insurance, and operating costs, such as fuel and maintenance, related to such travel. The incremental costs of personal trips using other ground transportation arrangements, such as vehicle services, are valued at the actual cost to us.

"All Other Compensation" for Mr. Mullican includes: (i) $16,867 for the employer matching contribution by the Company under our 401(k) plan; (ii) $1,800 in connection with an executive physical; and (iii) $5,000 in connection with financial planning.

"All Other Compensation" for Mr. Johnson includes: (i) $20,390 in relocation-related benefits and $14,722 in related tax gross-ups; (ii) $1,800 in connection with an executive physical; and (iii) $16,955 for the employer matching contribution by the Company under our 401(k) plan.

"All Other Compensation" for Mr. Attaway includes: (i) $16,859 for the employer matching contribution by the Company under our 401(k) plan; (ii) $1,800 in connection with an executive physical; (iii) $5,000 in connection with financial planning; and (iv) $2,545 in connection with tax preparation assistance.

The Company partners with various athletic organizations for business purposes and these organizations may include tickets to their events as part of our partnership with them. Executive officers and employees may have the opportunity to use these tickets for personal use, only if they are not already being used for business purposes. There is no incremental cost to the Company for providing these individual tickets to employees. Accordingly, no amount is shown for this perquisite under the "All Other Compensation" column.

(7) Mr. Lawrence commenced employment with us on February 11, 2019, after the beginning of the 2019 fiscal year. He did not participate in the 401(k) plan in 2019.

EMPLOYMENT AGREEMENTS WITH NAMED EXECUTIVE OFFICERS

The Company entered into an employment agreement with each of our Named Executive Officers and certain other members of senior management to help ensure the retention of those executive officers critical to the future success of the Company. Each employment agreement sets forth standard terms summarizing annual base salary, bonus and benefits.

Each of Messrs. Hicks, Mullican, Lawrence, and Johnson are subject to the following restrictive covenants under their applicable employment agreements: (i) confidentiality during employment and perpetually upon termination, (ii) irrevocable assignment of all rights of any intellectual property created during employment to the Company, (iii) non-competition during employment and for 24 months following termination, and (iv) non-solicitation of employees, no hire, and non-solicitation of customers for 24 months following termination. Mr. Attaway is subject to the following restrictive covenants under his employment agreement: (i) confidentiality during employment and perpetually upon termination, (ii) non-competition during employment and for six months following termination (or, if applicable, during the 24 month period following a qualifying termination of employment where he is entitled to severance payments), and (iii) non-solicitation of employees and non-interference with the Company's business for six months following termination (or, if applicable, during the 24 month period following a qualifying termination of employment where he is entitled to severance payments).

In addition to the below, each of the employment agreements also provides for certain severance payments that may be due following termination of employment under certain circumstances, subject to execution of a release of claims and compliance with certain restrictive covenants, described under the heading "Potential Payments upon Termination of Employment or Change of Control."

Hicks Employment Agreement

Pursuant to Mr. Hicks' employment agreement, dated August 2, 2018, he serves as the President, Chief Executive Officer of the Company and Chairman of the Board, or the Hicks Employment Agreement. The following terms and events are provided by the Hicks Employment Agreement.

Employment Term

The Hicks Employment Agreement has no specified employment term and may be terminated by either the Company or Mr. Hicks with a written notice of termination.

Compensation and Benefits

Mr. Hicks is entitled to an initial base salary of $1,100,000 (unchanged in 2020), which may be increased at the discretion of the Board or Compensation Committee. In addition, he is eligible to participate in the Executive Team Bonus Plan, pursuant to which he has a target bonus opportunity equal to 150% (unchanged in 2020) of his annual base salary, with a threshold bonus equal to 50% of the annual target bonus opportunity, if he does not achieve annual target performance goals, but achieves threshold performance targets as established by the Board or Compensation Committee, and a maximum bonus equal to 300% of his annual target bonus opportunity, if he achieves superior performance targets as established by the Board or Compensation Committee.

In addition, Mr. Hicks is entitled to reimbursement for all reasonable business, entertainment and travel expenses incurred in performing services under the Hicks Employment Agreement in accordance with the Company's expense reimbursement policy, including all travel expenses while away from the Katy, Texas area on business or at the request of and in the service of the Company.

During Mr. Hicks' employment: (i) the Company shall pay directly or reimburse him for reasonable monthly rent and utilities costs (including electric, gas, water, alarm, cable, housekeeping and internet but excluding meals and laundry) for a furnished rental apartment in the Katy, Texas area, (ii) he shall have use of a company-owned vehicle when in Katy, Texas with satellite radio and all maintenance and insurance costs with respect to such vehicle, and (iii) the Company shall pay directly or reimburse him on a monthly basis for reasonable and necessary expenses incurred by Mr. Hicks in connection with commuting from his residence in California to Katy, Texas (including jet card payments for private air travel, cost of meals on the flights and transportation to and from airports). In addition, he is entitled to receive from the Company on a monthly basis an additional payment in an amount sufficient to indemnify him on a net after-tax basis for any income tax associated with the provision of any of the perquisites described above.

Mullican Employment Agreement

Pursuant to Mr. Mullican's employment agreement, dated January 6, 2017 and amended on December 11, 2017, he serves as Executive Vice President and Chief Financial Officer of the Company, or the Mullican Employment Agreement. The following terms and events are provided by the Mullican Employment Agreement.

Employment Term

The Mullican Employment Agreement provides that Mr. Mullican's employment period shall end on the first anniversary of the effective date of the employment agreement, and shall be automatically extended for an additional year on each anniversary of the effective date unless written notice of termination is given no later than 30 days prior to the end of the employment period (including any extension thereof) by either the Company or Mr. Mullican.

Compensation and Benefits

Mr. Mullican is entitled to an initial base salary of $475,000 ($508,000 in 2020), which may be increased at the discretion of the Board or Compensation Committee. In addition, he is eligible to participate in the Executive

Team Bonus Plan, pursuant to which he has a target bonus opportunity equal to 100% of his annual base salary (unchanged in 2020), if he achieves pre-established performance targets, as determined by the Board or Compensation Committee.

In addition, Mr. Mullican is entitled to reimbursement for all reasonable business, entertainment and travel expenses incurred in performing services under the Mullican Employment Agreement in accordance with the Company's expense reimbursement policy, including all travel expenses while away from home on business or at the request of and in the service of the Company.

Lawrence Employment Agreement

Pursuant to Mr. Lawrence's employment agreement, dated January 29, 2019, he serves as Executive Vice President and Chief Merchandising Officer of the Company, or the Lawrence Employment Agreement. The following terms and events are provided by the Lawrence Employment Agreement.

Employment Term

The Lawrence Employment Agreement has no specified employment term and may be terminated by either the Company or Mr. Lawrence with a written notice of termination.

Compensation and Benefits

Mr. Lawrence is entitled to an initial base salary of $685,000 ($730,000 in 2020), which may be increased at the discretion of the Board or the Compensation Committee. In addition, he is eligible to participate in the Executive Team Bonus Plan, pursuant to which he has a target bonus opportunity equal to 120% of his annual base salary (unchanged in 2020), if he achieves pre-established performance targets, as determined by the Board or Compensation Committee.

Pursuant to the Lawrence Employment Agreement, Mr. Lawrence received a sign-on bonus of $200,000, which was paid by the Company within the first 30 days of his commencement of employment. Mr. Lawrence's employment agreement provides that if his employment had been terminated either by the Company for Cause or by Mr. Lawrence without Good Reason (as such terms are defined in the employment agreement), in either case, before February 11, 2020, he would have been required to repay to the Company a pro-rated portion of the gross amount of the sign-on bonus, calculated based on the number of whole months remaining in such 12 month period from the termination date.

In addition, Mr. Lawrence is entitled to reimbursement for all reasonable business, entertainment and travel expenses incurred in performing services under the Lawrence Employment Agreement in accordance with the Company's expense reimbursement policy, including all travel expenses while away from home on business or at the request of and in the service of the Company.

Johnson Employment Agreement

Pursuant to Mr. Johnson's employment agreement, dated April 17, 2017, he serves as Executive Vice President-Retail Operations of the Company, or the Johnson Employment Agreement. The following terms and events are provided by his employment agreement.

Employment Term

The Johnson Employment Agreement provides that Mr. Johnson's employment period shall end on the first anniversary of the effective date of the employment agreement, and shall be automatically extended for an additional year on each anniversary of the effective date unless written notice of termination is given no later than 30 days prior to the end of the employment period (including any extension thereof) by either the Company or Mr. Johnson.

Compensation and Benefits

Mr. Johnson is entitled to an initial base salary of $425,000 ($498,500 in 2020), which may be increased at the discretion of the Board or the Compensation Committee. In addition, he is eligible to participate in the Executive Team Bonus Plan, pursuant to which he has a target bonus opportunity equal to 100% (unchanged in 2020) of his annual base salary if he achieves pre-established performance targets, as determined by the Board or Compensation Committee.

In addition, Mr. Johnson is entitled to reimbursement for all reasonable business, entertainment and travel expenses incurred in performing services under the Johnson Employment Agreement in accordance with the Company's expense reimbursement policy, including all travel expenses while away from home on business or at the request of and in the service of the Company.

Attaway Employment Agreement

Pursuant to Mr. Attaway's employment agreement dated July 1, 2009, as amended and restated on August 30, 2011 and further amended on August 6, 2012, he served as Executive Vice President, Operations of the Company and since October 2013 serves as our Executive Vice President, Chief Operations Officer, or the Attaway Employment Agreement. The following terms and events are provided by his employment agreement.

Employment Term

The Attaway Employment Agreement provides that Mr. Attaway's employment period shall end on the first anniversary of the effective date of the employment agreement, and shall be automatically extended for an additional year on each anniversary of the effective date unless written notice of termination is given no later than 30 days prior to the end of the employment period (including any extension thereof) by either the Company or Mr. Attaway.

Compensation and Benefits

Mr. Attaway is entitled to an initial base salary of $325,000 ($465,500 in 2020), which may be increased at the discretion of the Board or the Compensation Committee. In addition, he is eligible to participate in the Executive Team Bonus Plan, pursuant to which he has a target bonus opportunity equal to 100% (unchanged in 2020) of his annual base salary if he achieves pre-established performance targets as determined by the Board or Compensation Committee.

In addition, Mr. Attaway is entitled to reimbursement for all reasonable business expenses incurred in performing services under the Attaway Employment Agreement in accordance with the Company's expense reimbursement policy, including all travel expenses while away from home on business or at the request of and in the service of the Company.

GRANTS OF PLAN BASED AWARDS IN 2019

The following table provides information with regard to each grant of plan-based awards made to a Named Executive Officer under any plan during the fiscal year ended February 1, 2020. For additional information regarding non-equity incentive plan awards, please see "—Executive Team Bonus Plan." For additional information regarding equity incentive plan awards, please see "Long-Term Equity Incentive Compensation—Equity Awards under 2011 Equity Plan."

Grants of Plan Based Awards Table

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(3)						
Name	Award Type	Grant Date(2)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/ share)	Grant Date Fair Value of Stock and Option Awards ($)(4)(5)
Ken C. Hicks	Annual Bonus	—	825,000	1,650,000	4,950,000	—	—	—	—	—	—	—
	Time Options	3/7/2019	—	—	—	—	—	—	—	694,301	5.26	1,881,555
	Performance Options	3/7/2019	—	—	—	119,962	341,969	—	—	—	5.26	926,735
Michael P. Mullican	Annual Bonus	—	243,911	487,822	975,644	—	—	—	—	—	—	—
	Time Options	3/7/2019	—	—	—	—	—	—	—	138,861	5.26	383,256
	Performance Options	3/7/2019	—	—	—	23,992	68,393	—	—	—	5.26	188,080
Steve P. Lawrence	Annual Bonus	—	414,438	828,876	1,657,752	—	—	—	—	—	—	—
	Time Options	3/7/2019	—	—	—	—	—	—	—	411,270	5.26	1,135,105
	Performance Options	3/7/2019	—	—	—	37,488	106,865	—	—	—	5.26	293,878
	Restricted Units	3/7/2019	—	—	—	—	142,586	—	—	—	—	—
Sam J. Johnson	Annual Bonus	—	231,920	463,840	927,680	—	—	—	—	—	—	—
	Time Options	3/7/2019	—	—	—	—	—	—	—	121,504	5.26	335,351
	Performance Options	3/7/2019	—	—	—	20,993	59,844	—	—	—	5.26	164,571
Ken D. Attaway	Annual Bonus	—	223,247	446,495	892,990	—	—	—	—	—	—	—
	Time Options	3/7/2019	—	—	—				—	112,824	5.26	311,394
	Performance Options	3/7/2019	—	—	—	19,493	55,570	—	—	—	5.26	152,817

(1) Amounts in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column relate to amounts payable to each Named Executive Officer in 2019 under our Executive Team Bonus Plan at threshold, target and maximum levels of performance, in each case calculated by multiplying each Named Executive Officer's weighted average base salary for 2019 (assuming for this purpose the number of days determined by subtracting the last day of the fiscal year from the first day) by the applicable percentage at which the bonus would pay out based on the combined weighted achievement of the Company and individual performance metrics at each such level. The actual amounts paid to our Named Executive Officers are set forth in the "Summary Compensation Table" above and the calculation of the actual amounts paid is discussed more fully in "—Executive Team Bonus Plan" above.

(2) The vesting schedule applicable to each Time Option, Performance Option, and Restricted Unit award is set forth in the "—Outstanding Equity Awards at Fiscal Year End Table" table.

(3) The target level of achievement is the highest level of achievement possible under the equity incentive plan awards listed in this table.

(4) The amounts reported in this column do not reflect the actual economic value realized by the Named Executive Officer. The amounts reported in this column represent the grant date fair value of the Time Options and Performance Options granted to each of the Named Executive Officers in 2019 pursuant to an Option Agreement under the 2011 Equity Plan, computed in accordance with FASB Accounting Standards Codification Topic 718. The valuation assumptions used in determining such amounts are described in Note 10, *Equity and Unit-Based Compensation* to our audited consolidated financial statements incorporated by reference in this prospectus. The grant date fair value of the Performance Options, which vest based on performance-vesting criteria, is based upon the probable outcome of the performance conditions at the date of grant and assumes the "target" level of performance is achieved, which is the highest level of performance condition achievable for the awards.

(5) Pursuant to Mr. Lawrence's employment agreement, dated January 29, 2019, the Company granted 142,586 Restricted Units to Mr. Lawrence on March 7, 2019. However, as of February 1, 2020, the Company had not recognized equity-based compensation expense for any of the outstanding Restricted Units granted to employees, which are subject to both a service-based vesting condition and a liquidity event-based vesting condition. In the period in which the Company's liquidity event occurs (e.g., in connection with the consummation of this offering), the Company will record a cumulative stock-based compensation expense for the then vested awards. Equity-based compensation related to remaining time-based service after the liquidity event will be recorded over the remaining requisite service period. The grant date fair value of the Restricted Units, assuming the achievement of the liquidity event-based vesting condition, would have been $750,002 for Mr. Lawrence (based on a grant date fair value per Restricted Unit of $5.26).

OUTSTANDING EQUITY AWARDS AT 2019 FISCAL YEAR END

The following table provides information with regard to each outstanding equity award held by the Named Executive Officers on February 1, 2020.

Outstanding Equity Awards at Fiscal Year End Table

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)(1)	Number of Securities Underlying Unexercised Options Unexercisable (#)(2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(3)	Option Exercise Price ($)	Option Expiration Date(4)	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(6)
Ken C. Hicks	9/16/2018	—	—	—	—	—	—	—	735,295	4,036,769
	9/16/2018(7)	226,674	291,461	—	5.44	9/16/2028	—	—	—	—
	9/16/2018(8)	—	—	259,068	5.44	9/16/2028	—	—	—	—
	3/7/2019(9)	144,640	549,661	—	5.26	3/7/2029	—	—	—	—
	3/7/2019(10)	—	—	341,969	5.26	3/7/2029	—	—	—	—
Michael P. Mullican	3/23/2017(11)	49,261	49,262	—	5.30	3/23/2027	—	—	—	—
	3/23/2017(12)	13,916	13,916	21,429	5.30	3/23/2027	—	—	—	—
	4/5/2018(13)	32,206	96,619	—	5.23	4/5/2028	—	—	—	—
	4/5/2018(14)	—	—	64,412	5.23	4/5/2028	—	—	—	—
	6/22/2018	—	—	—	—	—	—	—	377,359	2,071,700
	3/7/2019(15)	—	138,861	—	5.26	3/7/2029	—	—	—	—
	3/7/2019(16)	—	—	68,393	5.26	3/7/2029	—	—	—	—
Steve P. Lawrence	3/7/2019	—	—	—	—	—	—	—	142,586	782,797
	3/7/2019(17)	—	411,270	—	5.26	3/7/2029	—	—	—	—
	3/7/2019(18)	—	—	106,865	5.26	3/7/2029	—	—	—	—
Sam J. Johnson	6/6/2017(19)	36,946	36,946	—	5.30	6/6/2027	—	—	—	—
	6/6/2017(20)	10,436	10,438	16,072	5.30	6/6/2027	—	—	—	—
	4/5/2018(21)	26,167	78,503	—	5.23	4/5/2028	—	—	—	—
	4/5/2018(22)	—	—	52,335	5.23	4/5/2028	—	—	—	—
	6/22/2018	—	—	—	—	—	—	—	235,850	1,294,816
	3/7/2019(23)	—	121,504	—	5.26	3/7/2029	—	—	—	—
	3/7/2019(24)	—	—	59,844	5.26	3/7/2029	—	—	—	—
Ken D. Attaway	7/2/2015(25)	650,000	—	—	1.66	8/30/2021	—	—	—	—
	7/2/2015(26)	650,000	—	—	1.66	8/30/2021	—	—	—	—
	3/27/2016(27)	88,752	29,585	—	5.30	3/27/2026	—	—	—	—
	3/23/2017(28)	61,576	61,578	—	5.30	3/23/2027	—	—	—	—
	3/23/2017(29)	17,394	17,396	26,786	5.30	3/23/2027	—	—	—	—
	4/5/2018(30)	28,180	84,542	—	5.23	4/5/2028	—	—	—	—
	4/5/2018(31)	—	—	56,361	5.23	4/5/2028	—	—	—	—
	6/22/2018	—	—	—	—	—	—	—	141,510	776,889
	3/7/2019(32)	—	112,824	—	5.26	3/7/2029	—	—	—	—
	3/7/2019(33)	—	—	55,570	5.26	3/7/2029	—	—	—	—

(1) The numbers in this column represent vested Time Options and vested Performance Options as of February 1, 2020.
(2) The numbers in this column represent (i) unvested Time Options as of February 1, 2020, or (ii) Performance Options which became Earned and are subject to time vesting.
(3) The numbers in this column represent unvested Performance Options that are not Earned as of February 1, 2020.
(4) The expiration date for each of the Options is the date that is ten years after the initial grant date.
(5) All of the Restricted Units granted to each Named Executive Officer are reported in this column because they are subject to a liquidity event-based vesting condition which will only be satisfied upon the closing of this offering, in addition to any other vesting conditions that continue to

apply. The service-based vesting condition and liquidity event-based vesting condition and, if applicable, other performance-based vesting conditions, for each award of Restricted Units is described in "Long-Term Equity Incentive Compensation—Equity Awards under 2011 Equity Plan—Restricted Units."

(6) The market value of our Membership Units as of February 1, 2020, as approved by the Board on March 5, 2020, is based on the most recently completed independent third party valuation of the Membership Units (as of January 4, 2020). The market value of the Membership Units as of February 1, 2020 is equal to $5.49 per Membership Unit, or the Market Value Per Membership Unit.

(7) The Time Options granted to Mr. Hicks under the 2018 CEO Option Agreement vest as follows: 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the vesting commencement date (April 5, 2018), subject to continued employment through the applicable vesting date.

(8) As of the 2019 fiscal year end, the Performance Options granted to Mr. Hicks under the 2018 CEO Option Agreement have not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 CEO Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(9) The Time Options granted to Mr. Hicks under the 2019 CEO Option Agreement vest as follows: 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the grant date, subject to continued employment through the applicable vesting date.

(10) The Performance Options granted to Mr. Hicks under the 2019 CEO Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 CEO Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 CEO Option Agreement.

(11) The Time Options granted to Mr. Mullican under the 2017 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(12) The Performance Options granted to Mr. Mullican under the 2017 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. For 2017, the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "high performance target" but greater than the "low performance target." Accordingly, a specified percentage (56.5%) of the Performance Options granted under the 2017 Executive Option Agreement were Earned and vest pursuant to the applicable time vesting provisions for Performance Options in the 2017 Executive Option Agreement, with the remaining portion of the Performance Options not being Earned. Pursuant to the 2017 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(13) The Time Options granted to Mr. Mullican under the 2018 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(14) As of the 2019 fiscal year end, the Performance Options granted to Mr. Mullican under the 2018 Executive Option Agreement have not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(15) The Time Options granted to Mr. Mullican under the 2019 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(16) The Performance Options granted to Mr. Mullican under the 2019 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 Executive Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 Executive Option Agreement.

(17) The Time Options granted to Mr. Lawrence under the 2019 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(18) The Performance Options granted to Mr. Lawrence under the 2019 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 Executive Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 Executive Option Agreement.

(19) The Time Options granted to Mr. Johnson under the 2017 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(20) The Performance Options granted to Mr. Johnson under the 2017 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. For 2017, the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "high performance target" but greater than the "low performance target." Accordingly, a specified percentage (56.5%) of the Performance Options granted under the 2017 Executive Option Agreement were Earned and vest pursuant to the applicable time vesting provisions for Performance Options in the 2017 Executive Option Agreement, with the remaining portion of the Performance Options not being Earned. Pursuant to the 2017 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(21) The Time Options granted to Mr. Johnson under the 2018 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(22) As of the 2019 fiscal year end, the Performance Options granted to Mr. Johnson under the 2018 Executive Option Agreement have not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(23) The Time Options granted to Mr. Johnson under the 2019 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(24) The Performance Options granted to Mr. Johnson under the 2019 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 Executive Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 Executive Option Agreement.

(25) On August 30, 2011, the Company granted 650,000 Time Options with an exercise price of $5.00 to Mr. Attaway pursuant to an Option Agreement under the 2011 Equity Plan. Effective July 2, 2015, the exercise price was repriced down to $1.66, and all other terms with respect to the Time Options remained the same. This award was fully vested as of February 1, 2020.

(26) On August 30, 2011, the Company granted 650,000 Performance Options with an exercise price of $5.00 to Mr. Attaway pursuant to an Option Agreement under the 2011 Equity Plan. Effective July 2, 2015, the exercise price was repriced down to $1.66, and all other terms with respect to the Performance Options remained the same. This award was fully vested as of February 1, 2020.

(27) The Time Options granted to Mr. Attaway under the 2016 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(28) The Time Options granted to Mr. Attaway under the 2017 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(29) The Performance Options granted to Mr. Attaway under the 2017 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. For 2017, the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "high performance target" but greater than the "low performance target." Accordingly, a specified percentage (56.5%) of the Performance Options granted under the 2017 Executive Option Agreement were Earned and vest pursuant to the applicable time vesting provisions for Performance Options in the 2017 Executive Option Agreement, with the remaining portion of the Performance Options not being Earned. Pursuant to the 2017 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(30) The Time Options granted to Mr. Attaway under the 2018 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(31) As of the 2019 fiscal year end, the Performance Options granted to Mr. Attaway under the 2018 Executive Option Agreement have not been Earned because the Compensation Committee determined that the Company's actual consolidated Adjusted EBITDA for the Option Grant Year was less than the "low performance target." Pursuant to the 2018 Executive Option Agreement, if the Compensation Committee determines that the fair market value of a Membership Unit of the Company as of the specified measurement date equals or exceeds the specified target Membership Unit price, then 100% of the Performance Options that have not been Earned as of such date shall become vested and exercisable immediately upon such determination, subject to continued employment.

(32) The Time Options granted to Mr. Attaway under the 2019 Executive Option Agreement vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date.

(33) The Performance Options granted to Mr. Attaway under the 2019 Executive Option Agreement are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurred. The Compensation Committee determined that as of March 5, 2020, the Company met the Option Grant Year "high performance target" of $317.3 million in 2019 by achieving an actual Adjusted EBITDA dollar amount of $323.2 million. Accordingly, 100% of the Performance Options granted under the 2019 Executive Option Agreement were Earned and will vest pursuant to the applicable time vesting provisions for Performance Options in the 2019 Executive Option Agreement.

OPTION EXERCISES AND RESTRICTED UNITS VESTED

The following table provides information on Restricted Unit awards that vested, including the number of Membership Units acquired upon vesting and the value realized, determined as described below during the fiscal year ended February 1, 2020. None of the Named Executive Officers exercised any Options during 2019. No Restricted Units held by the Named Executive Officers vested during 2019 except for the Restricted Units held by Mr. Hicks pursuant to the 2018 Independent Non-Employee Director Restricted Unit Agreement, which vested in full on March 6, 2019.

Fiscal 2019 Restricted Units Vested Table

	Stock Awards	
Name	Number of Units Acquired on Vesting (#)(1)	Value Realized on Vesting ($)(2)
Ken C. Hicks	19,121	100,576

(1) On March 6, 2018, the Company granted 19,121 Restricted Units to Mr. Hicks pursuant to the 2018 Independent Non-Employee Director Restricted Unit Agreement under the 2011 Equity Plan, which vested in full on March 6, 2019.

(2) The value realized on vesting is based on the number of Membership Units underlying the Restricted Unit award that vested multiplied by the market value per Membership Unit on the vesting date ($5.26), which was based on an independent third party valuation approved by the Board.

EQUITY COMPENSATION PLANS

2011 Equity Plan

Purpose

The 2011 Equity Plan was designed to (i) promote the long term financial interests and growth of the Company and its subsidiaries and affiliates by attracting and retaining management and other personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company; (ii) motivate management personnel by means of growth-related incentives to achieve long range goals; and (iii) further the alignment of interests of participants with those of the direct and indirect members of the Company through opportunities for increased equity, or equity-based ownership, in the Company.

Administration

The 2011 Equity Plan is administered by the Compensation Committee. The Compensation Committee has full power and authority to administer and interpret the 2011 Equity Plan, awards granted under the 2011 Equity Plan and each award agreement, including, without limitation, the power to (i) exercise all of the powers granted

to it under the 2011 Equity Plan, (ii) construe, interpret and implement the 2011 Equity Plan and any award agreement, (iii) prescribe, amend and rescind rules and regulations relating to the 2011 Equity Plan, including rules governing its own operations, (iv) make all determinations necessary or advisable in administering the 2011 Equity Plan, awards and any award agreements, (v) correct any defect, supply any omission and reconcile any inconsistency in the 2011 Equity Plan, awards or any award agreement, (vi) amend the 2011 Equity Plan, awards and any award agreement to reflect changes in applicable law or, without the consent of the participants, make any other amendment not adverse to the participants, (vii) determine from among those persons determined to be eligible for the 2011 Equity Plan, the particular persons who will be participants, (viii) grant awards under the 2011 Equity Plan and determine the terms and conditions of such awards, consistent with the express limitations of the 2011 Equity Plan, (ix) delegate such powers and authority to such persons as it deems appropriate, so long as any such delegation is consistent with applicable law and any guidelines as may be established by the Board from time to time and (x) waive any conditions under any awards.

Membership Unit Reserve

There are a total of Membership Units available for awards under the 2011 Equity Plan. As of August 26, 2020, there are Membership Units that are authorized and available for the grant of awards under the 2011 Equity Plan.

Awards Subject to 2011 Equity Plan

The 2011 Equity Plan provided for the grant of units and unit-based compensation to any employee, director or member, consultant or other service provider of the Company or any of its affiliates who is selected by the Board or the Compensation Committee to participate in the 2011 Equity Plan.

Prior to this offering, an award could have been made by the Compensation Committee under the 2011 Equity Plan in the form of Options, in which case the grantee would enter into an award agreement evidencing such award which would include the option exercise period (which period may be no more than 10 years following the date of grant) and the option exercise price (which could not be less than 100% of the fair market value of a Membership Unit on the date the Option was granted) and such other terms, conditions or restrictions on the grant or exercise of the Option as the Compensation Committee deemed appropriate.

Prior to this offering, an award could have been made by the Compensation Committee under the 2011 Equity Plan in the form of Restricted Units, phantom Membership Units, warrants or other securities that are convertible, exercisable or exchangeable for or into Membership Units, or based on the fair market value of Membership Units in which case the award agreement evidencing such award would include such terms, conditions or restrictions, as the Compensation Committee deemed appropriate.

As a condition to the exercise, settlement, conversion or exchange of an award into Membership Units, or the grant of an award of Membership Units (including restricted Membership Units), each participant is required to become a party to the Amended and Restated Limited Liability Company Agreement of the New Academy Holding Company LLC dated as of August 26, 2011, as amended, modified or supplemented from time to time, or the LLC Agreement, and execute such other documents and instruments as are reasonably and customarily required by the Company to evidence compliance with applicable federal and state securities and “blue sky” laws, and the Membership Units acquired were held subject to, and in compliance with, the terms and conditions of the LLC Agreement.

Nontransferability and Distributions of Awards

Pursuant to the terms of the 2011 Equity Plan, awards are not transferable or assignable by the participant other than by will or by the laws of descent and distribution. An award exercisable after the death of a participant may be exercised by his legatees, personal representative, or distributees.

Amendment and Termination

The 2011 Equity Plan provides that the Compensation Committee has the authority to make such amendments to any outstanding awards as are consistent with the 2011 Equity Plan, but no such action may modify any award in a manner adverse in any material respect to a participant without the participant's consent except as such modification is provided for or contemplated in the terms of the award or the 2011 Equity Plan. Other than as specifically provided in any award agreement, the Board may amend, suspend or terminate the 2011 Equity Plan except that no such action may be taken which would, without Member approval, increase the aggregate number of Membership Units available for awards under the 2011 Equity Plan, decrease the price of outstanding awards, change the requirements relating to the Compensation Committee as set forth in the 2011 Equity Plan, or extend the term of the 2011 Equity Plan.

Effect of Certain Events on 2011 Equity Plan and Awards

The 2011 Equity Plan provides that in the event of any equity split, spin off, equity distribution or dividend (other than regular cash dividends or distributions), equity combination, reclassification, recapitalization, liquidation, dissolution, reorganization, merger, or similar event, the Compensation Committee shall adjust appropriately (i) the number and kind of Membership Units subject to the 2011 Equity Plan, and available for or covered by awards and (ii) the exercise prices of Options and Membership Unit prices related to outstanding awards, and make such other revisions or substitutions to outstanding awards, in each case, as it deems, in good faith, to be equitable or required.

Treatment of Awards upon Change of Control

In the event of a Change of Control (as defined in the 2011 Equity Plan), the Compensation Committee may, in its sole discretion, provide for one or more of the following: (i) adjust all awards, (ii) accelerate the vesting and/or exercisability of awards, subject to the consummation of such Change of Control, (iii) cancel awards for fair value (as determined in the sole reasonable discretion of the Compensation Committee) which, in the case of Options will not be less than the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of Membership Units subject to such Option (or, if no consideration is paid in any such transaction, the fair market value of the Membership Units subject to such Option) over the aggregate option price of such Option; (iv) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted thereunder or (v) provide that for a period of at least 20 days prior to the Change of Control and following written notice to any affected participants, the Options will be exercisable as to all Membership Units subject thereto (whether vested or unvested) and that upon the occurrence of the Change of Control, to the extent not theretofore exercised by the participant, such Option will terminate and be of no further force and effect.

Pursuant to the 2011 Equity Plan, "Change of Control" is generally defined as (a) the sale of all or substantially all of the assets of the Company or Allstar LLC, or the Managing Member, to any "Person," as such term is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (or group of Persons acting in concert), other than to (A) the Managing Member or its affiliates or (B) any employee benefit plan (or trust forming a part thereof) maintained by the Company or its affiliates or other Person of which a majority of its voting power or other equity securities is owned, directly or indirectly, by the Company; (b) a merger, recapitalization or other sale by the Company, or the Managing Member or any of its respective affiliates, to a Person (or group of Persons acting in concert) of equity interests that results in any Person (or group of Persons acting in concert) (other than (A) the Managing Member or its affiliates or (B) any employee benefit plan (or trust forming a part thereof) maintained by the Company or its affiliates or other Person of which a majority of its voting power or other equity securities is owned, directly or indirectly, by the Company) owning more than 50% of the equity interests or voting power of the Managing Member or the Company (or any resulting company after a merger) or Academy, Ltd.; or (c) any event which results in the KKR 2006 Fund L.P. and its affiliates ceasing to hold the ability to elect a majority of the Board; provided, however, that with respect

to any award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code and that, pursuant to its terms, would vest and/or become settled upon a Change of Control, the foregoing definition shall apply for purposes of vesting of such award, but settlement of each such award in connection with such Change of Control shall not occur until the earliest of (i) a Change of Control if such Change of Control constitutes a "change in the ownership of the corporation," a "change in effective control of the corporation" or a "change in the ownership of a substantial portion of the assets of the corporation," within the meaning of Section 409A(a)(2)(A)(v) of the Code; (ii) the date such award would otherwise have been settled pursuant to the terms of the award agreement; and (iii) the participant's "separation of service" within the meaning of Section 409A.

2020 Equity Plan

Prior to the completion of this offering, the Compensation Committee will adopt, and we expect our equityholders to approve, the 2020 Equity Plan. Equity awards under the 2020 Equity Plan will be designed to reward our Named Executive Officers for long-term equityholder value creation. The following summary is qualified in its entirety by reference to the 2020 Equity Plan that has been adopted by the Board.

Purpose

The purpose of the 2020 Equity Plan is to provide a means through which to attract and retain key personnel and to provide a means whereby our directors, officers, employees, consultants and advisors can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock, thereby strengthening their commitment to our welfare and aligning their interests with those of our equityholders.

Administration

The 2020 Equity Plan will be administered by the Compensation Committee. The Compensation Committee is authorized to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the 2020 Equity Plan and any instrument or agreement relating to, or any award granted under, the 2020 Equity Plan; establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Compensation Committee deems appropriate for the proper administration of the 2020 Equity Plan; adopt sub-plans; and to make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the 2020 Equity Plan. Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which our securities are listed or traded, the Compensation Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it in accordance with the terms of the 2020 Equity Plan. Unless otherwise expressly provided in the 2020 Equity Plan, all designations, determinations, interpretations, and other decisions under or with respect to the 2020 Equity Plan or any award or any documents evidencing awards granted pursuant to the 2020 Equity Plan are within the sole discretion of the Compensation Committee, may be made at any time and are final, conclusive and binding upon all persons or entities, including, without limitation, us, any participant, any holder or beneficiary of any award, and any of our equityholders. The Compensation Committee may make grants of awards to eligible persons pursuant to terms and conditions set forth in the applicable award agreement, including subjecting such awards to performance criteria listed in the 2020 Equity Plan.

Awards Subject to 2020 Equity Plan

The 2020 Equity Plan provides that the total number of shares of common stock that may be issued under the 2020 Equity Plan is , or the Absolute Share Limit. No more than the number of shares of common stock equal to the Absolute Share Limit may be issued in the aggregate pursuant to the exercise of incentive stock options. The maximum number of shares of common stock granted during a single fiscal year to

any non-employee director, taken together with any cash fees paid to such non-employee director during the fiscal year, may not exceed $500,000 in total value. Except for substitute awards (as described below), in the event any award expires or is cancelled, forfeited or terminated without issuance to the participant of the full number of shares to which the award related, the unissued shares of common stock may be granted again under the 2020 Equity Plan. Awards may, in the sole discretion of the Compensation Committee, be granted in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by us or with which we combine, referred to as substitute awards, and such substitute awards will not be counted against the Absolute Share Limit, except that substitute awards intended to qualify as "incentive stock options" will count against the limit on incentive stock options described above. No award may be granted under the 2020 Equity Plan after the 10th anniversary of the effective date (as defined therein), but awards granted before then may extend beyond that date.

Options

The Compensation Committee may grant non-qualified stock options and incentive stock options, under the 2020 Equity Plan, with terms and conditions determined by the Compensation Committee that are not inconsistent with the 2020 Equity Plan. All stock options granted under the 2020 Equity Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our common stock underlying such stock options on the date such stock options are granted (other than in the case of options that are substitute awards). All stock options that are intended to qualify as incentive stock options must be granted pursuant to an award agreement expressly stating that the options are intended to qualify as incentive stock options and will be subject to the terms and conditions that comply with the rules as may be prescribed by Section 422 of the Code. The maximum term for stock options granted under the 2020 Equity Plan will be 10 years from the initial date of grant, or with respect to any stock options intended to qualify as incentive stock options, such shorter period as prescribed by Section 422 of the Code. However, if a non-qualified stock option would expire at a time when trading of shares of our common stock is prohibited by our insider trading policy, or blackout period imposed by us, the term will automatically be extended to the 30th day following the end of such period. The purchase price for the shares as to which a stock option is exercised may be paid to us, to the extent permitted by law, (i) in cash or its equivalent at the time the stock option is exercised; (ii) in shares having a fair market value equal to the aggregate exercise price for the shares being purchased and satisfying any requirements that may be imposed by the Compensation Committee (so long as such shares have been held by the participant for at least six months or such other period established by the Compensation Committee to avoid adverse accounting treatment); or (iii) by such other method as the Compensation Committee may permit in its sole discretion, including, without limitation, (A) in other property having a fair market value on the date of exercise equal to the purchase price, (B) if there is a public market for the shares at such time, through the delivery of irrevocable instructions to a broker to sell the shares being acquired upon the exercise of the stock option and to deliver to us the amount of the proceeds of such sale equal to the aggregate exercise price for the shares being purchased or (C) through a "net exercise" procedure effected by withholding the minimum number of shares needed to pay the exercise price. Any fractional shares of common stock will be settled in cash.

Stock Appreciation Rights

The Compensation Committee may grant stock appreciation rights under the 2020 Equity Plan, with terms and conditions determined by the Compensation Committee that are not inconsistent with the 2020 Equity Plan. The Compensation Committee may award stock appreciation rights in tandem with options or independent of any option. Generally, each stock appreciation right will entitle the participant upon exercise to an amount (in cash, shares or a combination of cash and shares, as determined by the Compensation Committee) equal to the product of (i) the excess of (A) the fair market value on the exercise date of one share of common stock, over (B) the strike price per share, times (ii) the number of shares of common stock covered by the stock appreciation right. The strike price per share of a stock appreciation right will be determined by the Compensation Committee at the time of grant but in no event may such amount be less than 100% of the fair market value of a share of common stock on the date the stock appreciation right is granted (other than in the case of stock appreciation rights granted in substitution of previously granted awards).

Restricted Shares and Restricted Stock Units

The Compensation Committee may grant restricted shares of our common stock or restricted stock units, representing the right to receive, upon vesting and the expiration of any applicable restricted period, one share of common stock for each restricted stock unit, or, in the sole discretion of the Compensation Committee, the cash value thereof (or any combination thereof). As to restricted shares of our common stock, subject to the other provisions of the 2020 Equity Plan, the holder will generally have the rights and privileges of an equityholder as to such restricted shares of common stock, including, without limitation, the right to vote such restricted shares of common stock. Participants have no rights or privileges as an equityholder with respect to restricted stock units.

Other Equity-Based Awards and Cash-Based Awards

The Compensation Committee may grant other equity-based or cash-based awards under the 2020 Equity Plan, with terms and conditions determined by the Compensation Committee that are not inconsistent with the 2020 Equity Plan.

Effect of Certain Events on 2020 Equity Plan and Awards

In the event of (i) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, shares of common stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of common stock or other securities, issuance of warrants or other rights to acquire shares of common stock or other securities, or other similar corporate transaction or event that affects the shares of common stock (including a change of control, as defined in the 2020 Equity Plan), or (ii) unusual or nonrecurring events affecting the Company, including changes in applicable rules, rulings, regulations or other requirements, that the Compensation Committee determines, in its sole discretion, could result in substantial dilution or enlargement of the rights intended to be granted to, or available for, participants (any event in (i) or (ii), being referred to as an Adjustment Event), the Compensation Committee will, in respect of any such Adjustment Event, make such proportionate substitution or adjustment, if any, as it deems equitable, to any or all of: (A) the Absolute Share Limit, or any other limit applicable under the 2020 Equity Plan with respect to the number of awards which may be granted thereunder, (B) the number and class of shares of common stock or other securities of the Company (or number and kind of other securities or other property) which may be issued in respect of awards or with respect to which awards may be granted under the 2020 Equity Plan or any sub-plan and (C) the terms of any outstanding award, including, without limitation, (1) the number and class of shares of common stock or other securities of the Company (or number and kind of other securities or other property) subject to outstanding awards or to which outstanding awards relate, (2) the exercise price or strike price with respect to any award, or (3) any applicable performance measures; it being understood that, in the case of any "equity restructuring," the Compensation Committee will make an equitable or proportionate adjustment to outstanding awards to reflect such equity restructuring.

In connection with any change of control, the Compensation Committee may, in its sole discretion, provide for any one or more of the following: (i) a substitution or assumption of awards, or to the extent the surviving entity does not substitute or assume the awards, full acceleration of vesting of, exercisability of, or lapse of restrictions on, as applicable, any awards, provided that (unless the applicable award agreement provides for different treatment upon a change of control) with respect to any performance-vested awards, any such acceleration shall be based on (A) the target level of performance if the applicable performance period has not ended prior to the date of such change in control and (B) the actual level of performance attained during the performance period of the applicable performance period has ended prior to the date of such change in control; and (ii) cancellation of any one or more outstanding awards and payment to the holders of such awards that are vested as of such cancellation (including any awards that would vest as a result of the occurrence of such event but for such cancellation) the value of such awards, if any, as determined by the Compensation Committee (which value, if applicable, may be based upon the price per share of common stock received or to be received by

other holders of our common stock in such event), including, in the case of stock options and stock appreciation rights, a cash payment equal to the excess, if any, of the fair market value of the shares of common stock subject to the option or stock appreciation right over the aggregate exercise price or strike price thereof.

Nontransferability of Awards

Each award will not be transferable or assignable by a participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against us or any of our subsidiaries. However, the Compensation Committee may, in its sole discretion, permit awards (other than incentive stock options) to be transferred, including transfers to a participant's family members, any trust established solely for the benefit of a participant or such participant's family members, any partnership or limited liability company of which a participant, or such participant and such participant's family members, are the sole member(s), and a beneficiary to whom donations are eligible to be treated as "charitable contributions" for tax purposes.

Amendment and Termination

The Compensation Committee may amend, alter, suspend, discontinue, or terminate the 2020 Equity Plan or any portion thereof at any time; but no such amendment, alteration, suspension, discontinuance or termination may be made without equityholder approval if (i) such approval is necessary to comply with any regulatory requirement applicable to the 2020 Equity Plan or for changes in U.S. GAAP to new accounting standards; (ii) it would materially increase the number of securities which may be issued under the 2020 Equity Plan (except for adjustments in connection with certain corporate events); or (iii) it would materially modify the requirements for participation in the 2020 Equity Plan; and any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any award will not to that extent be effective without such individual's consent.

The Compensation Committee may, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award granted or the associated award agreement, prospectively or retroactively (including after a participant's termination). However, except as otherwise permitted in the 2020 Equity Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant with respect to such award will not to that extent be effective without such individual's consent. In addition, without equityholder approval, except as otherwise permitted in the 2020 Equity Plan, (i) no amendment or modification may reduce the exercise price of any option or the strike price of any stock appreciation right; (ii) the Compensation Committee may not cancel any outstanding option or stock appreciation right and replace it with a new option or stock appreciation right (with a lower exercise price or strike price, as the case may be) or other award or cash payment that is greater than the value of the cancelled option or stock appreciation right; and (3) the Compensation Committee may not take any other action which is considered a "repricing" for purposes of the equityholder approval rules of any securities exchange or inter-dealer quotation system on which our securities are listed or quoted.

Dividends and Dividend Equivalents

The Compensation Committee in its sole discretion may provide part of an award with dividends or dividend equivalents, on such terms and conditions as may be determined by the Compensation Committee in its sole discretion. Unless otherwise provided in the award agreement, any dividend payable in respect of any share of restricted stock that remains subject to vesting conditions at the time of payment of such dividend will be retained by the Company and remain subject to the same vesting conditions as the share of restricted stock to which the dividend relates.

Clawback/Repayment

All awards are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Compensation Committee and as in effect from time to time and (ii) applicable law. To the extent that a participant receives any amount in excess of the amount that the participant should otherwise have received under the terms of the award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the participant will be required to repay any such excess amount to the Company.

2020 Employee Stock Purchase Plan

Prior to the completion of this offering, the Board will adopt, and we expect our equityholders to approve, the Company's 2020 Employee Stock Purchase Plan, or the ESPP. The following summary is qualified in its entirety by reference to the ESPP that has been adopted by the Board.

Purpose

The ESPP is intended to give eligible employees an opportunity to acquire shares of our common stock and promote our best interests and enhance our long-term performance. We believe that allowing our employees to participate in the ESPP provides them with a further incentive towards ensuring our success and accomplishing our corporate goals. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. We may authorize offerings under the ESPP that are not intended to comply with Section 423 of the Code, which offerings will be made pursuant to any rules, procedures or sub-plans adopted by the committee for such purpose.

Authorized Shares

The aggregate number of shares of our common stock that may be issued under the ESPP may not exceed shares, which number will be automatically increased on the first day of each fiscal year beginning in in an amount equal to the least of (i) shares of our common stock, (ii) 2% of the total number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year, and (iii) a lower number of shares as determined by our Board, subject to adjustment in accordance with the terms of the ESPP. If a purchase right expires or is terminated, surrendered or canceled without being exercised, in whole or in part, the number of shares subject to the purchase right will again be available for issuance and will not reduce the aggregate number of shares available under the ESPP.

Administration

The ESPP will be administered by the Compensation Committee, or such other committee as may be designated by the Board, or the Board (such administering body, the "Administrator"). The Administrator will have full authority to make, administer and interpret such terms, rules and regulations regarding administration of the ESPP as it may deem advisable, and such decisions are final and binding.

Term

The ESPP will have a term of ten years unless earlier terminated (i) on the date on which all the shares of common stock available for issuance under the ESPP have been issued or (ii) by the Administrator in accordance with the terms of the ESPP.

Eligible Employees

Subject to the Administrator's ability to exclude certain groups of employees on a uniform and nondiscriminatory basis, including Section 16 officers and/or non-U.S. employees, generally, all of our

employees will be eligible to participate if they are employed by us or any participating subsidiary or affiliate for more than 12 consecutive months, or any lesser number of hours per week and/or number of days established by the Administrator. In no event will an employee who is deemed to own 5% or more of the total combined voting power or value of all classes of our capital stock or the capital stock of any parent or subsidiary be eligible to participate in the ESPP, and no participant in the ESPP may purchase shares of our common stock under any employee stock purchase plans of our Company to the extent the option to purchase shares accrue at a rate that exceeds $25,000 of the fair market value of such shares of our common stock, determined as of the first day of the offering period, for each calendar year in which such option is outstanding.

Offering Periods and Purchase Periods

Offering periods under the ESPP will be 6 months long. The first offering period under the ESPP shall commence on the date determined by the Administrator and shall end on the last trading day on or immediately preceding the earlier to occur of June 30 or December 31 of the year in which the first offering period commences. Unless the Administrator determines otherwise, following the completion of the first offering period, a new offering period shall commence on the first trading day on or following January 1 and July 1 of each calendar year and end on or following the last trading day on or immediately preceding June 30 and December 31, respectively, approximately six months later. The Administrator may choose to start a new offering period as it may determine from time to time as appropriate and offering periods may overlap or be consecutive. During each offering period, there will be one 6 month purchase period, which will have the same duration and coincide with the length of the offering period.

Purchase Price

Eligible employees who participate will receive an option to purchase shares of our common stock at a purchase price equal to the lower of 85% of (i) the closing price per share of our common stock on the date of purchase or (ii) the closing price per share of our common stock on the first day of the applicable offering period (or, in the case of the first offering period, the price per share at which shares of our common stock are first sold to the public in connection with this offering). Eligible employees participate by authorizing payroll deductions before the beginning of an offering period, which deduction may not exceed 15% of such employee's cash compensation.

Contributions and Grants

Eligible employees participate by authorizing payroll deductions before the beginning of an offering period, which deduction may not exceed 15% of such employee's cash compensation. In addition, the maximum number of shares of our common stock that may be purchased by all participants in any particular purchase period is limited to shares (subject to adjustment as provided in the ESPP), and the maximum number of shares of our common stock that may be purchased by any participant during any one year period is limited to shares. The Administrator may modify this limit from time to time by resolution or otherwise.

Cancellation of Election to Purchase

A participant may cancel his or her participation entirely at any time prior to the last 30 days of the applicable offering period by withdrawing all, but not less than all, of his or her contributions credited to his or her account and not yet used to exercise his or her option under the ESPP. Participation will end automatically upon termination of employment with us.

Effect of a Change in Control

In the event of a change in control (as defined under the ESPP), the Administrator may in its discretion provide, without limitation, that each outstanding option be assumed, or an equivalent option be substituted by the successor corporation or a parent or subsidiary of the successor corporation and, if not so assumed or substituted, the offering period for that option be shortened by setting a new exercise date on which the offering period will end; terminate outstanding options and refund accumulated contributions to participants; or continue outstanding options unchanged.

Rights as Stockholder

A participant will have no rights as a stockholder with respect to the shares of our common stock that the participant has an option to purchase in any offering until those shares have been issued to the participant.

Options not Transferable

A participant's option under the ESPP will be exercisable only by the participant and may not be sold, transferred, pledged or assigned in any manner other than by will or the laws of descent and distribution.

Amendment or Termination

The Administrator, in its sole discretion, may amend, alter, suspend or terminate the ESPP, or any option subject thereto, at any time and for any reason as long as such amendment or termination of an option does not materially adversely affect the rights of a participant with respect to the option without the written consent of such participant.

Registration Statements on Form S-8

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to our existing 2011 Equity Plan and our 2020 Equity Plan and the ESPP to be adopted in connection with this offering. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market. We expect that the initial registration statement on Form S-8 will cover shares of our common stock.

POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

Each Named Executive Officer is entitled to potential payments and benefits, including acceleration of Options and Restricted Units, in connection with a termination of employment or a change of control. The information below describes and estimates potential payments and benefits to which the Named Executive Officers would be entitled under existing arrangements if a qualifying termination of employment or change of control occurred on February 1, 2020, the last business day of our 2019 fiscal year. These benefits are in addition to benefits available generally to salaried employees. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be different from those estimated below. Factors that could affect these amounts include the timing during the year of any such event and our valuation at that time. There can be no assurance that a termination or change of control would produce the same or similar results as those described below if any assumption used to prepare this information is not correct in fact.

We have calculated the acceleration value of Options and Restricted Units in the tables below using the Market Value Per Membership Unit.

Mr. Hicks

Employment Agreement

Any severance payments and benefits Mr. Hicks may be entitled to receive under the Hicks Employment Agreement, as described below, are subject to his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates.

Mr. Hicks is not entitled to any severance payments or benefits if he is terminated for Cause or resigns without Good Reason.

Death or Disability

Pursuant to the Hicks Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Hicks or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus he would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365, payable in a lump sum on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

Without Cause or for Good Reason

Pursuant to the Hicks Employment Agreement, if the Company terminates Mr. Hicks' employment without Cause or Mr. Hicks resigns for Good Reason, the Company shall pay:

(i) A cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary as in effect on the termination date and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs (or if the termination date occurs during the Company's 2019 fiscal year, then the annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him for the Company's 2018 fiscal year). The Company shall make such payment in equal installments ratably over 24 months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death. Notwithstanding the foregoing, because Mr. Hicks refused his 2018 bonus, if the termination occurs in 2019 or 2020, we expect that the Compensation Committee would determine that the calculation of the bonus portion of Mr. Hicks' severance amount will be based solely on the annual bonus earned by him for 2019;

(ii) An amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the termination date occurs and the termination date, and the denominator of which is equal to 365. Such payment is in lieu of the annual bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs. The Company shall make such payment in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death. Notwithstanding the foregoing, because Mr. Hicks refused his 2018 bonus, if the termination had occurred in 2019, the Compensation Committee would have determined that Mr. Hicks' pro rata bonus be based on the annual bonus earned by him for 2019; and

(iii) An amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date and (y) 24 months, to be paid in a lump sum in cash on the first payroll date following the effective date of the release.

Definitions

Under the Hicks Employment Agreement, the Company may terminate Mr. Hicks' employment for "Cause" if he: (i) commits gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with his duties or in the course of his employment with the Company; (ii) commits an act leading to a conviction of a felony or a misdemeanor involving moral turpitude; (iii) commits a material breach of any provision of his employment agreement; or (iv) fails to perform any and all covenants contained in his employment agreement (including his fiduciary duties and other employment obligations) for any reason other than death, disability, or following Mr. Hicks' notice of termination for "Good Reason." Pursuant to the terms of his employment agreement, Mr. Hicks will have 30 days after receiving notice of a termination for Cause to cure or remedy any breach pursuant to items (iii) or (iv) of the preceding sentence.

Under the Hicks Employment Agreement, Mr. Hicks may terminate his employment for "Good Reason" if, without his prior written consent any if any of the following occur that constitute a material negative change to Mr. Hicks: (i) he is assigned any position, authority duties or responsibilities that are materially inconsistent with his position, authority, duties, or other responsibilities as contemplated by his employment agreement; (ii) there is a reduction to his base salary and annual target bonus opportunity in the aggregate; or (iii) there is a material breach by the Company of any provision of his employment agreement. The Company will have 30 days after receiving notice of a termination for Good Reason to cure or remedy any breach of the employment agreement by the Company. Mr. Hicks will not be treated as having terminated his employment for a Good Reason event if he incurs a separation from service more than one (1) year following the initial existence of the Good Reason condition, or if he has not given the Company written notice of the Good Reason condition within 90 days after the initial existence of the Good Reason condition, or if he waives in writing his right to claim Good Reason as a result of the event.

Option Agreements

On September 16, 2018, the Company granted 518,135 Time Options with an exercise price of $5.44 to Mr. Hicks pursuant to the 2018 CEO Option Agreement. The Time Options vest as follows: 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the vesting commencement date (April 5, 2018), subject to continued employment through the applicable vesting date.

On March 7, 2019, the Company granted 694,301 Time Options and 341,969 Performance Options with an exercise price of $5.26 to Mr. Hicks pursuant to the 2019 CEO Option Agreement. The Time Options vest as follows: 1/48th of the Time Options become vested and exercisable on each monthly anniversary of the grant date, subject to continued employment through the applicable vesting date. The Performance Options are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs.

The Option Agreements provide for acceleration of vesting as follows:

- Time Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Hicks remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

- Performance Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - If a Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
    - If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consumption of such Change of Control.

Restricted Unit Agreement

On September 16, 2018, the Company granted 735,295 Restricted Units to Mr. Hicks pursuant to the 2018 CEO Restricted Unit Agreement. The Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units.

Potential Payments to Mr. Hicks upon Termination or Change of Control

Benefit	Termination due to Death or Disability ($)	Termination Without Cause or Resignation for Termination ($)	Change of Control ($)
Cash Severance Payment (Salary and Bonus)	—	5,937,334(4)	—
Pro Rata Bonus	1,703,900(1)	1,868,667(5)	—
Life Insurance Payment	—	238(6)	—
Accelerated Vesting of Time Options	3,865(2)	—	140,995(7)
Accelerated Vesting of Performance Options	— (3)	—	78,652(8)
Accelerated Vesting of Restricted Units	—	—	4,036,769(9)
Total:	**$1,707,765**	**$ 7,806,239**	**$4,256,416**

(1) Pursuant to the Hicks Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Hicks or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus Mr. Hicks would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance

goals) (154.9% of $1,100,000), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date (assumed to be the entire 2019 fiscal year), and the denominator of which is equal to 365.

(2) The amount above represents the value associated with the accelerated vesting of the Time Options upon termination due to death or disability, which is the sum of: (i) $539, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.44), and (B) 10,794 Time Options (the portion under the 2018 CEO Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Hicks remained employed); and (ii) $3,326, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 14,465 Time Options (the portion under the 2019 CEO Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Hicks remained employed).

(3) None of Mr. Hicks' Performance Options under the 2019 CEO Option Agreement were Earned as of February 1, 2020 and therefore would not be eligible to vest in connection with a termination due to death or disability on such date.

(4) Pursuant to the Hicks Employment Agreement, if the Company terminates Mr. Hicks' employment without Cause or Mr. Hicks resigns for Good Reason, the Company shall pay a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary ($1,100,000 for 2019) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs (or if the termination date occurs during the Company's 2019 fiscal year, then the annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him for the Company's 2018 fiscal year). Because Mr. Hicks refused his 2018 bonus, the Compensation Committee would have determined that the calculation of the bonus portion of Mr. Hicks' severance amount be based solely on the annual bonus earned by him for 2019 ($1,868,667) and the severance amount in the table above has been calculated accordingly.

(5) Pursuant to the Hicks Employment Agreement, if the Company terminates Mr. Hicks' employment without Cause or Mr. Hicks resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365 (assumed to be the entire 2019 fiscal year). Because Mr. Hicks refused his 2018 bonus, if the termination had occurred in 2019, the Compensation Committee would have determined that Mr. Hicks' pro rata bonus be based on the annual bonus earned by him for 2019 ($1,868,667) and accordingly, this is the amount shown in the table above.

(6) Pursuant to the Hicks Employment Agreement, if the Company terminates Mr. Hicks' employment without Cause or Mr. Hicks resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date ($9.94 per month) and (y) 24 months.

(7) The amount above represents the value associated with the accelerated vesting of the Time Options upon a Change of Control, which is the sum of: (i) $14,573, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.44), and (B) 291,461 Time Options (the unvested portion under the 2018 CEO Option Agreement immediately prior to February 1, 2020); and (ii) $126,422, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 549,661 Time Options (the unvested portion under the 2019 CEO Option Agreement immediately prior to February 1, 2020).

(8) The amount of $78,652 above represents the value associated with the accelerated vesting of the Performance Options upon a Change of Control, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 341,969 Performance

Options (the unvested portion under the 2019 CEO Option Agreement immediately prior to February 1, 2020, which is the entire grant because the Change of Control occurs during the Option Grant Year).

(9) Under the 2018 CEO Restricted Unit Agreement, the Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units. The amount above is the product of 735,295 Restricted Units (under the 2018 CEO Restricted Unit Agreement) and the Market Value Per Membership Unit.

Mr. Mullican

Employment Agreement

Any severance payments and benefits Mr. Mullican may be entitled to receive under the Mullican Employment Agreement, as described below, are subject to his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates.

Mr. Mullican is not entitled to any severance payments or benefits if he is terminated for Cause or resigns without Good Reason.

Death or Disability

Pursuant to the Mullican Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Mullican or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus he would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365, payable in a lump sum on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

Without Cause or for Good Reason

If the Company terminates Mr. Mullican's employment without Cause or Mr. Mullican resigns for Good Reason, the Company shall pay:

(i) A cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary as in effect on the termination date and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs. The Company shall make such payment in equal installments ratably over 24 months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(ii) An amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the termination date occurs and the termination date, and the denominator of which is equal to 365. Such payment is in lieu of the

annual bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs. The Company shall make such payment in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(iii) During the 24 month period following the termination date, the Company shall provide Mr. Mullican and his covered dependents medical insurance benefits, contingent on Mr. Mullican electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or COBRA, no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Mullican each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Mullican's portion of such premiums as if Mr. Mullican was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period. Notwithstanding the foregoing, the payments provided under this clause shall cease at such time as Mr. Mullican commences to receive such benefits from a subsequent employer of Mr. Mullican during the 24 month period following the termination date; and

(iv) An amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date and (y) 24 months, to be paid in a lump sum in cash on the first payroll date following the effective date of the release.

Definitions

The Mullican Employment Agreement contains the same definition of "Cause" provided in the Hicks Employment Agreement.

The Mullican Employment Agreement contains the same definition of "Good Reason" provided in the Hicks Employment Agreement, except that Mr. Mullican's definition also includes the relocation of the principal place of employment to a location more than 35 miles from the principal place of employment provided in his employment agreement, if a move to such other location materially increases his commute.

The Mullican Employment Agreement provides that in the event Mr. Mullican elects not to extend the employment agreement, such nonrenewal shall be deemed a termination by Mr. Mullican without Good Reason, and in the event the Company elects not to extend the employment period, such nonrenewal shall be deemed a termination by the Company of Mr. Mullican's employment without Cause.

Option Agreement

On March 23, 2017, the Company granted 98,523 Time Options and 49,261 Performance Options with an exercise price of $5.30 to Mr. Mullican pursuant to the 2017 Executive Option Agreement. On April 5, 2018, the Company granted 128,825 Time Options with an exercise price of $5.23 to Mr. Mullican pursuant to the 2018 Executive Option Agreement. On March 7, 2019, the Company granted 138,861 Time Options and 68,393 Performance Options with an exercise price of $5.26 to Mr. Mullican pursuant to the 2019 Executive Option Agreement. The Time Options vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date. The Performance Options are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs.

The Option Agreements provide for acceleration of vesting as follows:

- Time Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Mullican remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
- Performance Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - If a Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
    - If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Restricted Unit Agreement

On June 22, 2018, the Company granted 377,359 Restricted Units to Mr. Mullican pursuant to the 2018 Executive Restricted Unit Agreement. The Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units.

Potential Payments to Mr. Mullican upon Termination or Change of Control

Benefit	Termination due to Death or Disability ($)	Termination Without Cause or Resignation for Termination ($)	Change of Control ($)
Cash Severance Payment (Salary and Bonus)	—	1,327,936(4)	—
Pro Rata Bonus	456,570(1)	92,908(5)	—
COBRA Payment	—	21,888(6)	—
Life Insurance Payment	—	360(7)	—
Accelerated Vesting of Time Options	21,037(2)	—	66,418(8)
Accelerated Vesting of Performance Options	1,322(3)	—	18,374(9)
Accelerated Vesting of Restricted Units	—	—	2,071,700(10)
Total:	**$ 478,929**	**$ 1,443,092**	**$2,156,492**

(1) Pursuant to the Mullican Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Mullican or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus Mr. Mullican would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals) (93.6% of $487,822, which is the percentage of salary earned for the achievement of the combined Company performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date (assumed to be the entire 2019 fiscal year), and the denominator of which is equal to 365.

(2) The amount above represents the value associated with the accelerated vesting of the Time Options upon termination due to death or disability, which is the sum of: (i) $4,679, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 24,631 Time Options (the portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Mullican remained employed); (ii) $8,373, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 32,206 Time Options (the portion under the 2018 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Mullican remained employed); and (iii) $7,984, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 34,715 Time Options (the portion under the 2019 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Mullican remained employed).

(3) The amount of $1,322 above represents the value associated with the accelerated vesting of the Performance Options upon termination due to death or disability, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 6,958 Performance Options (the Earned portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Mullican remained employed). None of Mr. Mullican's Performance Options under the 2019 Executive Option Agreement were Earned as of February 1, 2020 and therefore would not be eligible to vest in connection with a termination due to death or disability on such date.

(4) Pursuant to the Mullican Employment Agreement, if the Company terminates Mr. Mullican's employment without Cause or Mr. Mullican resigns for Good Reason, the Company shall pay a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary ($489,500 for 2019) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination

date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs ($256,028 for 2017 and $92,908 for 2018).

(5) Pursuant to the Mullican Employment Agreement, if the Company terminates Mr. Mullican's employment without Cause or Mr. Mullican resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs ($92,908 for 2018), multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date (assumed to be the entire 2019 fiscal year), and the denominator of which is equal to 365.

(6) Pursuant to the Mullican Employment Agreement, if the Company terminates Mr. Mullican's employment without Cause or Mr. Mullican resigns for Good Reason, then during the 24 month period following the termination date, the Company shall provide Mr. Mullican and his covered dependents medical insurance benefits no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Mullican each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Mullican's portion of such premiums as if Mr. Mullican was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period ($912 per month).

(7) Pursuant to the Mullican Employment Agreement, if the Company terminates Mr. Mullican's employment without Cause or Mr. Mullican resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date ($15 per month), and (y) 24 months.

(8) The amount above represents the value associated with the accelerated vesting of the Time Options upon a Change of Control, which is the sum of: (i) $9,358, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 49,262 Time Options (the unvested portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); (ii) $25,120, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 96,619 Time Options (the unvested portion under the 2018 Executive Option Agreement immediately prior to February 1, 2020); and (iii) $31,938, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 138,861 Time Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant).

(9) The amount above represents the value associated with the accelerated vesting of the Performance Options upon a Change of Control, which is the sum of: (i) $2,644, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 13,916 Performance Options (the unvested and Earned portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); and (ii) $15,730, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 68,393 Performance Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant because the Change of Control occurs during the Option Grant Year).

(10) Under the 2018 Executive Restricted Unit Agreement, the Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units. The amount above is the product of 377,359 Restricted Units (under the 2018 Executive Restricted Unit Agreement) and the Market Value Per Membership Unit.

Mr. Lawrence

Employment Agreement

Any severance payments and benefits Mr. Lawrence may be entitled to receive under the Lawrence Employment Agreement, as described below, are subject to his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates.

Mr. Lawrence is not entitled to any severance payments or benefits if he is terminated for Cause or resigns without Good Reason.

Death or Disability

Pursuant to the Lawrence Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Lawrence or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus he would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs (or his commencement date of February 11, 2019 if the termination occurs in the 2019 fiscal year) and the termination date, and the denominator of which is equal to 365, payable in a lump sum on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

Without Cause or for Good Reason

If the Company terminates Mr. Lawrence's employment without Cause or Mr. Lawrence resigns for Good Reason, the Company shall pay:

(i) A cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary as in effect on the termination date and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs. The Company shall make such payment in equal installments ratably over 24 months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(ii) An amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the termination date occurs and the termination date, and the denominator of which is equal to 365. Such payment is in lieu of the annual bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs. The Company shall make such payment in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(iii) During the 24 month period following the termination date, the Company shall provide Mr. Lawrence and his covered dependents medical insurance benefits, contingent on Mr. Lawrence electing continuation coverage under COBRA, no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Lawrence each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Lawrence's portion of such premiums as if Mr. Lawrence was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period. Notwithstanding the foregoing, the payments provided under this clause shall cease at such time as Mr. Lawrence commences to receive such benefits from a subsequent employer of Mr. Lawrence during the 24 month period following the termination date; and

(iv) An amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date and (y) 24 months, to be paid in a lump sum in cash on the first payroll date following the effective date of the release.

Definitions

The Lawrence Employment Agreement contains the same definition of "Cause" provided in the Hicks Employment Agreement.

The Lawrence Employment Agreement contains the same definition of "Good Reason" provided in the Hicks Employment Agreement, except that Mr. Lawrence's definition does not include clause (i) from Mr. Hicks' definition, and Mr. Lawrence's definition also includes the relocation of the principal place of employment to a location more than 50 miles from the principal place of employment provided in his employment agreement, if a move to such other location materially increases his commute. In addition, Mr. Lawrence's definition provides that he will not be treated as having terminated his employment for a Good Reason event if he incurs a separation from service more than six months (rather than one year) following the initial existence of the Good Reason condition, or if he has not given the Company written notice of the Good Reason condition within 90 days after the initial existence of the Good Reason condition, or if he waives in writing his right to claim Good Reason as a result of the event.

Option Agreement

On March 7, 2019, the Company granted 411,270 Time Options and 106,865 Performance Options with an exercise price of $5.26 to Mr. Lawrence pursuant to the 2019 Executive Option Agreement. The Time Options vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date. The Performance Options are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs.

The Option Agreement provides for acceleration of vesting as follows:

- Time Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Lawrence remained employed through such vesting date, will become vested and exercisable as of such termination.

- *Change of Control*
  - In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

- Performance Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - If a Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
    - If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consumption of such Change of Control.

Restricted Unit Agreement

On March 7, 2019, the Company granted 142,586 Restricted Units to Mr. Lawrence pursuant to the 2019 Executive Restricted Unit Agreement. The Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units.

Potential Payments to Mr. Lawrence upon Termination or Change of Control

Benefit	Termination due to Death or Disability ($)	Termination Without Cause or Resignation for Termination ($)	Change of Control ($)
Cash Severance Payment (Salary and Bonus)	—	1,410,000(4)	—
Pro Rata Bonus	756,646(1)	0(5)	—
COBRA Payment	—	21,888(6)	—
Life Insurance Payment	—	360(7)	—
Accelerated Vesting of Time Options	23,647(2)	—	94,592(8)
Accelerated Vesting of Performance Options	0(3)	—	24,578(9)
Accelerated Vesting of Restricted Units	—	—	782,797(10)
Total:	**$ 780,293**	**$ 1,432,248**	**$901,967**

(1) Pursuant to the Lawrence Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Lawrence or his designated beneficiary or legal representative (if

applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus Mr. Lawrence would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals) (112.3% of $690,730), and (y) a fraction, the numerator of which is equal to the number of days between and including his commencement date of February 11, 2019 and the termination date (356 days), and the denominator of which is equal to 365.

(2) The amount of $23,647 above represents the value associated with the accelerated vesting of the Time Options upon termination due to death or disability, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 102,818 Time Options (the portion under the 2019 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Lawrence remained employed).

(3) None of Mr. Lawrence's Performance Options under the 2019 Executive Option Agreement were Earned as of February 1, 2020 and therefore would not be eligible to vest in connection with a termination due to death or disability on such date.

(4) Pursuant to the Lawrence Employment Agreement, if the Company terminates Mr. Lawrence's employment without Cause or Mr. Lawrence resigns for Good Reason, the Company shall pay a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary ($705,000 for 2019) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs ($0 for 2017 and $0 for 2018).

(5) Pursuant to the Lawrence Employment Agreement, if the Company terminates Mr. Lawrence's employment without Cause or Mr. Lawrence resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs ($0 for 2018), multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365 (assumed to be the entire 2019 fiscal year).

(6) Pursuant to the Lawrence Employment Agreement, if the Company terminates Mr. Lawrence's employment without Cause or Mr. Lawrence resigns for Good Reason, then during the 24 month period following the termination date, the Company shall provide Mr. Lawrence and his covered dependents medical insurance benefits no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Lawrence each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Lawrence's portion of such premiums as if Mr. Lawrence was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period ($912 per month).

(7) Pursuant to the Lawrence Employment Agreement, if the Company terminates Mr. Lawrence's employment without Cause or Mr. Lawrence resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date ($15 per month), and (y) 24 months.

(8) The amount of $94,592 above represents the value associated with the accelerated vesting of the Time Options upon a Change of Control, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 411,270 Time Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant).

(9) The amount of $24,578 above represents the value associated with the accelerated vesting of the Performance Options upon a Change of Control, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 106,865 Performance

(10) Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant). Under the 2019 Executive Restricted Unit Agreement, the Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units. The amount above is the product of 142,586 Restricted Units (under the 2019 Executive Restricted Unit Agreement) and the Market Value Per Membership Unit.

Mr. Johnson

Employment Agreement

Any severance payments and benefits Mr. Johnson may be entitled to receive under the Johnson Employment Agreement, as described below, are subject to his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates.

Mr. Johnson is not entitled to any severance payments or benefits if he is terminated for Cause or resigns without Good Reason.

Death or Disability

Pursuant to the Johnson Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Johnson or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus he would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365, payable in a lump sum on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

Without Cause or for Good Reason

If the Company terminates Mr. Johnson's employment without Cause or Mr. Johnson resigns for Good Reason, the Company shall pay:

(i) A cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary as in effect on the termination date and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs. The Company shall make such payment in equal installments ratably over 24 months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(ii) An amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the termination date occurs and the termination date, and the denominator of which is equal to 365. Such payment is in lieu of the

annual bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs. The Company shall make such payment in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(iii) During the 24 month period following the termination date, the Company shall provide Mr. Johnson and his covered dependents medical insurance benefits, contingent on Mr. Johnson electing continuation coverage under COBRA, no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Johnson each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Johnson's portion of such premiums as if Mr. Johnson was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period. Notwithstanding the foregoing, the payments provided under this clause shall cease at such time as Mr. Johnson commences to receive such benefits from a subsequent employer of Mr. Johnson during the 24 month period following the termination date; and

(iv) An amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date and (y) 24 months, to be paid in a lump sum in cash on the first payroll date following the effective date of the release.

Definitions

The Johnson Employment Agreement contains the same definition of "Cause" provided in the Hicks Employment Agreement.

The Johnson Employment Agreement contains the same definition of "Good Reason" provided in the Hicks Employment Agreement, except that Mr. Johnson's definition does not include clause (i) from Mr. Hicks' definition and instead includes a material diminution of Mr. Johnson's position, authority duties or other responsibilities from those as contemplated in his employment agreement. In addition, Mr. Johnson's definition includes the relocation of the principal place of employment to a location more than 50 miles from the principal place of employment provided in his employment agreement, if a move to such other location materially increases his commute. In addition, Mr. Johnson's definition provides that he will not be treated as having terminated his employment for a Good Reason event if he incurs a separation from service more than six months (rather than one year) following the initial existence of the Good Reason condition, or if he has not given the Company written notice of the Good Reason condition within 90 days after the initial existence of the Good Reason condition, or if he waives in writing his right to claim Good Reason as a result of the event.

The Johnson Employment Agreement provides that in the event Mr. Johnson elects not to extend the employment agreement, such nonrenewal shall be deemed a termination by Mr. Johnson without Good Reason, and in the event the Company elects not to extend the employment period, such nonrenewal shall be deemed a termination by the Company of Mr. Johnson's employment without Cause.

Option Agreement

On June 6, 2017, the Company granted 73,892 Time Options and 36,946 Performance Options with an exercise price of $5.30 to Mr. Johnson pursuant to the 2017 Executive Option Agreement. On April 5, 2018, the Company granted 104,670 Time Options with an exercise price of $5.23 to Mr. Johnson pursuant to the 2018 Executive Option Agreement. On March 7, 2019, the Company granted 21,504 Time Options and 59,844

Performance Options with an exercise price of $5.26 to Mr. Johnson pursuant to the 2019 Executive Option Agreement. The Time Options vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date. The Performance Options are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs.

The Option Agreements provide for acceleration of vesting as follows:

- Time Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Johnson remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
- Performance Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - If a Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
    - If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Restricted Unit Agreement

On June 22, 2018, the Company granted 235,850 Restricted Units to Mr. Johnson pursuant to the 2018 Executive Restricted Unit Agreement. The Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units.

Potential Payments to Mr. Johnson upon Termination or Change of Control

Benefit	Termination due to Death or Disability ($)	Termination Without Cause or Resignation for Termination ($)	Change of Control ($)
Cash Severance Payment (Salary and Bonus)	—	1,316,378(4)	—
Pro Rata Bonus	434,125(1)	87,284(5)	—
COBRA Payment	—	21,888(6)	—
Life Insurance Payment	—	360(7)	—
Accelerated Vesting of Time Options	17,299(2)	—	55,376(8)
Accelerated Vesting of Performance Options	991(3)	—	15,747(9)
Accelerated Vesting of Restricted Units	—	—	1,294,816(10)
Total:	**$ 452,415**	**$ 1,425,910**	**$1,365,939**

(1) Pursuant to the Johnson Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Johnson or his designated beneficiary or legal representative (if applicable) a pro rata portion of the annual bonus under the Executive Team Bonus Plan for the partial fiscal year in which the termination date occurs in an amount equal to the product of (x) the annual bonus Mr. Johnson would otherwise have been entitled to had he remained employed on the date such annual bonus is paid (but with the amount of the annual bonus payable calculated based solely on the level of achievement of the applicable Company financial performance metrics for such fiscal year and not on any personal performance goals) (93.6% of $463,840, which is the percentage of salary earned for the achievement of the combined Company performance goals), and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date (assumed to be the entire 2019 fiscal year), and the denominator of which is equal to 365.

(2) The amount above represents the value associated with the accelerated vesting of the Time Options upon termination due to death or disability, which is the sum of: (i) $3,509, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 18,473 Time Options (the portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Johnson remained employed); (ii) $6,803, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 26,167 Time Options (the portion under the 2018 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Johnson remained employed); and (iii) $6,986, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 30,376 Time Options (the portion under the 2019 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Johnson remained employed).

(3) The amount above represents the value associated with the accelerated vesting of the Performance Options upon termination due to death or disability, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 5,219 Performance Options (the Earned portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Johnson remained employed). None of Mr. Johnson's Performance Options under the 2019 Executive Option Agreement were Earned as of February 1, 2020 and therefore would not be eligible to vest in connection with a termination due to death or disability on such date.

(4) Pursuant to the Johnson Employment Agreement, if the Company terminates Mr. Johnson's employment without Cause or Mr. Johnson resigns for Good Reason, the Company shall pay a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary ($480,000 for 2019) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs ($269,094 for 2017 and $87,284 for 2018).

(5) Pursuant to the Johnson Employment Agreement, if the Company terminates Mr. Johnson's employment without Cause or Mr. Johnson resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs ($87,284 for 2018), multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365 (assumed to be the entire fiscal year).

(6) Pursuant to the Johnson Employment Agreement, if the Company terminates Mr. Johnson's employment without Cause or Mr. Johnson resigns for Good Reason, then during the 24 month period following the termination date, the Company shall provide Mr. Johnson and his covered dependents medical insurance benefits no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Johnson each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Johnson's portion of such premiums as if Mr. Johnson was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period ($912 per month).

(7) Pursuant to the Johnson Employment Agreement, if the Company terminates Mr. Johnson's employment without Cause or Mr. Johnson resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date ($15 per month) and (y) 24 months.

(8) The amount above represents the value associated with the accelerated vesting of the Time Options upon a Change of Control, which is the sum of: (i) $7,019, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 36,946 Time Options (the unvested portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); (ii) $20,410, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 78,503 Time Options (the unvested portion under the 2018 Executive Option Agreement immediately prior to February 1, 2020); and (iii) $27,945, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 121,504 Time Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant).

(9) The amount above represents the value associated with the accelerated vesting of the Performance Options upon a Change of Control, which is the sum of: (i) $1,983, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 10,438 Performance Options (the unvested and Earned portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); and (ii) $13,764, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 59,844 Performance Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant because the Change of Control occurs during the Option Grant Year).

(10) Under the 2018 Executive Restricted Unit Agreement, the Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units. The amount above is the product of 235,850 Restricted Units (under the 2018 Executive Restricted Unit Agreement) and the Market Value Per Membership Unit.

Mr. Attaway

Employment Agreement

Any severance payments and benefits Mr. Attaway may be entitled to receive under the Attaway Employment Agreement, as described below, are subject to his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates.

Mr. Attaway is not entitled to any severance payments or benefits if he is terminated for Cause or resigns without Good Reason.

Death or Disability

Pursuant to the Attaway Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Attaway or his designated beneficiary or legal representative (if applicable):

(i) An amount equal to one times his base salary as in effect on the termination date, payable in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures; provided, however, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death; and

(ii) An amount equal to the bonus earned by him under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, payable in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures; provided, however, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death. Such payment is in lieu of the bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs.

Without Cause or for Good Reason

If the Company terminates Mr. Attaway's employment without Cause or Mr. Attaway resigns for Good Reason, the Company shall pay:

(i) A cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary (at the rate in effect as of the last day of the year immediately preceding the termination date) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs. The Company shall make such payment in equal installments ratably over 24 months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(ii) An amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the termination date occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the termination date occurs and the termination date, and the denominator of which is equal to 365. Such payment is in lieu of the annual bonus that would have otherwise been due to him under the Executive Team Bonus Plan for the performance period in which the termination date occurs. The Company shall make such payment in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the effective date of a release; provided, that if his death occurs subsequent to the termination date, any unpaid installments shall be paid to his estate or beneficiaries in a lump sum payment within 30 days following the date of death;

(iii) During the 24 month period following the termination date, the Company shall provide Mr. Attaway and his covered dependents medical insurance benefits, contingent on Mr. Attaway electing continuation

coverage under COBRA, no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Attaway each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Attaway's portion of such premiums as if Mr. Attaway was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period. Notwithstanding the foregoing, the payments provided under this clause shall cease at such time as Mr. Attaway commences to receive such benefits from a subsequent employer of Mr. Attaway during the 24 month period following the termination date; and

(iv) An amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date and (y) 24 months, to be paid in a lump sum in cash on the first payroll date following the effective date of the release.

Definitions

The Attaway Employment Agreement contains the same definition of "Cause" provided in the Hicks Employment Agreement.

The Attaway Employment Agreement contains the same definition of "Good Reason" provided in the Hicks Employment Agreement, except that clause (i) of Mr. Attaway's definition also includes any material diminution of his title, authority, duties or reporting lines and clause (ii) is a reduction in base salary and target bonus opportunity, in the aggregate, from Mr. Attaway's base salary and target bonus opportunity, in the aggregate, for the Company's 2012 fiscal year, or if greater, from Mr. Attaway's base salary and target bonus opportunity, in the aggregate, as set by the Board from time to time following the date of Attaway Employment Agreement. In addition, Mr. Attaway's definition also includes the relocation of the principal place of employment to a location more than thirty-five (35) miles from the principal place of employment provided in his employment agreement, if a move to such other location materially increases his commute.

The Attaway Employment Agreement provides that in the event the Company elects not to extend the employment period, such nonrenewal shall be deemed a termination by the Company of Mr. Attaway's employment without Cause.

Option Agreement

On March 27, 2016, the Company granted 118,337 Time Options with an exercise price of $5.30 to Mr. Attaway pursuant to the 2016 Executive Option Agreement. On March 23, 2017, the Company granted 123,154 Time Options and 61,576 Performance Options with an exercise price of $5.30 to Mr. Attaway pursuant to the 2017 Executive Option Agreement. On April 5, 2018, the Company granted 112,722 Time Options with an exercise price of $5.23 to Mr. Attaway pursuant to the 2018 Executive Option Agreement. On March 7, 2019, the Company granted 112,824 Time Options and 55,570 Performance Options with an exercise price of $5.26 to Mr. Attaway pursuant to the 2019 Executive Option Agreement. The Time Options vest as follows: 25% of the Time Options become vested and exercisable on each anniversary of the grant date, subject to continued employment through the applicable vesting date. The Performance Options are eligible to become vested and exercisable with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated Adjusted EBITDA for the fiscal year in which the grant date occurs.

The Option Agreements each provide for acceleration of vesting as follows:

- Time Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had Mr. Attaway remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - In connection with any Change of Control, any then-outstanding and unvested portion of the Time Option will become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
- Performance Options
  - *Death or Disability*
    - Upon a termination of employment at any time by reason of death or disability, to the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had he remained employed through such vesting date, will become vested and exercisable as of such termination.
  - *Change of Control*
    - If a Change of Control occurs during the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.
    - If such Change of Control occurs following the Option Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to 100% of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Restricted Unit Agreement

On June 22, 2018, the Company granted 141,510 Restricted Units to Mr. Attaway pursuant to the 2018 Executive Restricted Unit Agreement. The Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units.

Potential Payments to Mr. Attaway upon Termination or Change of Control

Benefit	Termination due to Death or Disability ($)	Termination Without Cause or Resignation for Termination ($)	Change of Control ($)
Cash Severance Payment (Salary and Bonus)	531,677(1)	1,244,520(4)	—
Pro Rata Bonus	—	83,677(5)	—
COBRA Payment	—	20,856(6)	—
Life Insurance Payment	—	360(7)	—
Accelerated Vesting of Time Options	25,285(2)	—	65,251(8)
Accelerated Vesting of Performance Options	1,652(3)	—	16,086(9)
Accelerated Vesting of Restricted Units	—	—	776,889(10)
Total:	**$ 558,614**	**$ 1,349,413**	**$858,226**

(1) Pursuant to the Attaway Employment Agreement, if his employment is terminated due to death or disability, the Company will pay to Mr. Attaway or his designated beneficiary or legal representative (if applicable) (i) an amount equal to one times his base salary as in effect on the termination date, payable in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures ($448,000 for 2019); and (ii) an amount equal to the bonus earned by him under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs, payable in equal installments ratably over twelve months following the termination date in accordance with the Company's normal payroll cycle and procedures ($83,677 for 2018).

(2) The amount above represents the value associated with the accelerated vesting of the Time Options upon termination due to death or disability, which is the sum of: (i) $5,621, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 29,585 Time Options (the portion under the 2016 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Attaway remained employed); (ii) $5,849, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 30,789 Time Options (the portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Attaway remained employed); (iii) $7,326, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 28,180 Time Options (the portion under the 2018 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Attaway remained employed); and (iv) $6,487, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 28,206 Time Options (the portion under the 2019 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Attaway remained employed).

(3) The amount of $1,652 above represents the value associated with the accelerated vesting of the Performance Options upon termination due to death or disability, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 8,698 Performance Options (the Earned portion under the 2017 Executive Option Agreement that would have become vested on the vesting date immediately following termination had Mr. Attaway remained employed). None of Mr. Attaway's Performance Options under the 2019 Executive Option Agreement were Earned as of February 1, 2020 and therefore would not be eligible to vest in connection with a termination due to death or disability on such date.

(4) Pursuant to the Attaway Employment Agreement, if the Company terminates Mr. Attaway's employment without Cause or Mr. Attaway resigns for Good Reason, the Company shall pay a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) his base salary at the rate in effect as of the last day of the year immediately preceding the termination date ($448,000 as of the last day

of 2018) and (B) the average annual bonus paid to (or earned by, to the extent not yet paid as of the termination date) him under the Executive Team Bonus Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the termination date occurs ($264,844 for 2017 and $83,677 for 2018).

(5) Pursuant to the Attaway Employment Agreement, if the Company terminates Mr. Attaway's employment without Cause or Mr. Attaway resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the annual bonus he has earned under the Executive Team Bonus Plan for the fiscal year immediately preceding the fiscal year in which the termination date occurs ($83,677 for 2018), multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year in which the termination date occurs and the termination date, and the denominator of which is equal to 365 (assumed to be the entire 2019 fiscal year).

(6) Pursuant to the Attaway Employment Agreement, if the Company terminates Mr. Attaway's employment without Cause or Mr. Attaway resigns for Good Reason, then during the 24 month period following the termination date, the Company shall provide Mr. Attaway and his covered dependents medical insurance benefits no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage, and the Company shall pay to Mr. Attaway each month during the 24 month period following the termination date an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of Mr. Attaway's portion of such premiums as if Mr. Attaway was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such 24-month period ($869 per month).

(7) Pursuant to the Attaway Employment Agreement, if the Company terminates Mr. Attaway's employment without Cause or Mr. Attaway resigns for Good Reason, the Company shall pay an amount equal to the product of (x) the monthly basic life insurance premium applicable to his basic life insurance coverage immediately prior to the termination date ($15 per month), and (y) 24 months.

(8) The amount above represents the value associated with the accelerated vesting of the Time Options upon a Change of Control, which is the sum of: (i) $5,621, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 29,585 Time Options (the unvested portion under the 2016 Executive Option Agreement immediately prior to February 1, 2020); (ii) $11,699, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 61,578 Time Options (the unvested portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); (iii) $21,980, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.23), and (B) 84,542 Time Options (the unvested portion under the 2018 Executive Option Agreement immediately prior to February 1, 2020); and (iv) $25,949, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 112,824 Time Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant).

(9) The amount above represents the value associated with the accelerated vesting of the Performance Options upon a Change of Control, which is the sum of: (i) $3,305, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.30), and (B) 17,396 Performance Options (the unvested and Earned portion under the 2017 Executive Option Agreement immediately prior to February 1, 2020); and (ii) $12,781, which is the product of (A) the difference between the Market Value Per Membership Interest and the exercise price ($5.26), and (B) 55,570 Performance Options (the unvested portion under the 2019 Executive Option Agreement immediately prior to February 1, 2020, which is the entire grant because the Change of Control occurs during the Option Grant Year).

(10) Under the 2018 Executive Restricted Unit Agreement, the Restricted Units are subject to both a Time and Service Based Requirement and a Liquidity Event Requirement. Upon a Change of Control, subject to continued employment, both the Time and Service Based Requirement and Liquidity Event Requirement will be satisfied as to 100% of the Restricted Units. The amount above is the product of 141,510 Restricted Units (under the 2018 Executive Restricted Unit Agreement) and the Market Value Per Membership Unit.

DIRECTOR COMPENSATION

Under the 2019 Board compensation program, non-employee directors who are not employed by KKR were paid a retainer of $25,000 in cash per fiscal quarter completed. Such non-employee directors also received a grant of $100,000 in Restricted Units with a one (1) year vesting condition in the first quarter of 2019. Directors may request that the Company buy back Membership Units issued upon settlement of the Restricted Units, up to 37% of the fair market value of the Membership Units issued.

The following table contains information concerning the compensation of Messrs. Simon and Marley, our non-employee directors who are not employed by KKR, in 2019. Mr. Hicks did not receive any additional compensation for his service as Chairman of our Board in 2020 and none of the directors who are employed by KKR are compensated by the Company for their service on the Board.

Director Compensation Table for 2019

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(3)	Total ($)
William F. Simon	100,000	100,000	200,000
Brian T. Marley	100,000	100,000	200,000

(1) Amounts reflect the aggregate amount of cash retainers paid during 2019.

(2) Amounts reflect the full grant-date fair value of Restricted Units granted during 2019 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. See Note 10, *Equity and Unit-Based Compensation* to our consolidated financial statements included in this prospectus for the assumptions used in calculating these values.

(3) Each non-employee director has been granted Restricted Units pursuant to a Restricted Unit Agreement under the 2011 Equity Plan, which contains the following vesting terms: subject to the grantee's continued service on such date, 100% of the Restricted Units vest on the earliest of (i) the first anniversary of the grant date, (ii) the grantee's death or disability, or (iii) a Change of Control (as defined in the 2011 Equity Plan). As of the 2019 fiscal year end, each of Messrs. Marley and Simon held 19,012 Restricted Units granted on March 7, 2019 (which vested in full on March 7, 2020). In addition, on March 5, 2020, each of Messrs. Marley and Simon was granted 18,215 Restricted Units, all of which vest on the earliest of (i) the first anniversary of the grant date, (ii) the grantee's death or disability or (iii) a Change of Control.

The Compensation Committee reviews and assesses non-employee director pay levels every year. This process involves a review of competitive market data, including an assessment of our director compensation policy against the director compensation programs of companies in our executive compensation peer group and an update on recent trends in director compensation.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Stockholders Agreement

In connection with this offering, we intend to enter into a stockholders agreement with our stockholders party thereto. We intend to describe the material terms of this agreement in a subsequent pre-effective amendment to the registration statement of which this prospectus forms a part.

Registration Rights Agreement

In connection with this offering, we will amend and restate the registration rights agreement among New Academy Holding Company, LLC and Allstar LLC and Allstar Managers to add Academy Sports and Outdoors, Inc. and other KKR Stockholders as parties and, under certain circumstances and subject to certain restrictions, to require Academy Sports and Outdoors, Inc. to file registration statements under the Securities Act covering resales of our common stock held by them and other stockholders party to the registration rights agreement or to piggyback on such registration statements in certain circumstances.

Monitoring Agreement

On August 3, 2011, or the Effective Date, we entered into a monitoring agreement, or the Monitoring Agreement, with Kohlberg Kravis Roberts & Co. L.P., or the Adviser, pursuant to which the Adviser provides advisory, consulting and financial services to us. In accordance with the terms of the Monitoring Agreement, we pay an aggregate annual advisory fee which increases by 5.0% annually on each anniversary of the Effective Date. The Adviser may also charge us a customary fee for services rendered in connection with securing, structuring and negotiating equity and debt financings by us. Additionally, we are required to reimburse the Adviser for any out-of-pocket expenses in connection with these services. The Monitoring Agreement continues in effect from year-to-year, unless amended or terminated by the Adviser and us. We recognized advisory fees related to the Monitoring Agreement, including reimbursement of expenses, of approximately $3.6 million, $3.5 million and $3.4 million in 2019, 2018, and 2017, respectively, and approximately $1.8 million in each of the twenty-six weeks ended August 1, 2020 and August 3, 2019. These expenses are included in SG&A expenses in the consolidated statements of income.

The Monitoring Agreement terminates automatically upon the consummation of an initial public offering, including this offering, unless we elect otherwise. In the event of such a termination, the Adviser is entitled to all unpaid monitoring fees and expenses plus the net present value of the advisory fees that would have been paid from the termination date through the twelfth anniversary of the Effective Date of the Monitoring Agreement. In connection with this offering, the Monitoring Agreement will terminate automatically in accordance with its terms and we expect to pay termination fees of approximately $ million to Adviser. Pursuant to a separate agreement, the Adviser is expected to share $ million of such termination fee with the Gochman Investors.

Equity Purchases

For 2019, 2018 and 2017, executives and directors of the Company made cash purchases of contingently redeemable membership units, or Redeemable Membership Units, in Allstar Managers, which is 100% owned by certain current and former executives and directors of the Company and was formed to facilitate the purchase of the Redeemable Membership Units in the Company and which in turn also owns Membership Units in New Academy Holding Company, LLC on a one-for-one basis. The cash purchases were for approximately $0.1 million, $1.3 million and $1.2 million, respectively. The cash consideration paid for the Redeemable Membership Units was subsequently contributed to New Academy Holding Company, LLC by Allstar Managers in exchange for a number of New Academy Holding Company, LLC Membership Units equal to the number of Redeemable Membership Units purchased.

During 2019, Allstar Managers repurchased at fair market value approximately $0.5 million of Redeemable Membership Units from a director and an executive of the Company for cash. New Academy Holding Company,

LLC concurrently repurchased from Allstar Managers for cash, at fair market value, a number of its membership units equal to the number for Redeemable Membership Units repurchased from the director and executive.

Relationship with KKR Capstone

We have utilized and may continue to utilize KKR Capstone Americas LLC and/or its affiliates, or KKR Capstone, a team of operating professionals who work exclusively with KKR's investments professionals and portfolio company management teams and have paid to KKR Capstone fees and expenses of $0.9 million and $0.3 million, respectively, during 2018 and 2017.

Note Receivable from Member

Under the current limited liability company agreement for New Academy Holding Company, LLC, each of the Gochman Investors may require the Company to provide a tax loan on their behalf under certain circumstances. On April 10, 2019, the Company loaned $4.0 million with a note receivable issued to one of the Gochman Investors. The note receivable bears semi-annual compounding interest at 2.5% per annum with outstanding principal and interest due on April 10, 2022, and is recorded in other non-current assets in the consolidated balance sheet. On April 5, 2018, the Company loaned $4.1 million with a note receivable issued to one of the Gochman Investors. The note receivable bears semi-annual compounding interest at 2.1% per annum, with outstanding principal and interest due on April 5, 2021. These notes receivable have been recorded in other non-current assets in the consolidated balance sheets. All of the outstanding notes receivables owed by the Gochman Investors were offset against the special distribution on August 28, 2020 and are no longer outstanding.

Transactions with Officers

We have certain agreements with our officers which are described in the section entitled "Executive Compensation."

Management Unitholders Agreement

In connection with the grant of awards under each Option Agreement and Restricted Unit Agreement, New Academy Holding Company, LLC and Allstar Managers entered into a Management Unitholders Agreement with our directors and each of our executive officers.

The Management Unitholders Agreement imposes significant restrictions on transfers of shares of our common stock and options to purchase shares of our common stock held by each director and executive officer party to the Management Unitholders Agreement that were issued, or in the case of shares subject to options or restricted units, that were granted during or after March 2016. Such shares of our common stock and the options are nontransferable by any means at any time prior to the earlier of (x) one year following an initial public offering and (y) a "Change of Control", or the Lapse Date, except (i) upon death or disability, to a director's or executive officer's estate or to their beneficiaries, (ii) to any executive trust, (iii) to any member of Allstar Managers, (iv) in accordance with the Amended and Restated Limited Liability Company Agreement of New Academy Holding Company, LLC and (v) in accordance with our registration rights agreement. These transfer restrictions are in addition to those imposed on options under the 2011 Equity Plan.

Prior to the Lapse Date, the Management Unitholders Agreement provides a put right upon the death or disability of a director or executive officer and provides for our ability to cause a director or executive officer to sell his or her shares of common stock or options back to the Company upon certain termination events.

Additionally, following the initial public offering of our common stock, the directors and executive officers party to the Management Unitholders Agreement will have limited "piggyback" registration rights with respect to their shares of common stock.

Special Distribution

On August 28, 2020, New Academy Holding Company, LLC paid a $257.0 million one-time special distribution to its unitholders of record as of August 25, 2020, of which $218.3 million was paid to Allstar LLC, an investment entity owned by KKR, $24.9 million was paid to the Gochman Investors and the remaining $4.8 million was paid to other unitholders. $248.0 million of such one-time special distribution was funded through cash on hand, with the remainder distributed through an offset of outstanding loans receivable from certain unitholders as well as state income tax withholdings made on behalf of our unitholders.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests and/or improper valuation (or the perception thereof). Prior to the completion of this offering, our board of directors will adopt a written statement of policy regarding transactions with related persons, which we refer to as our "related person policy," that is in conformity with the requirements upon issuers having publicly-held common stock that is listed on Nasdaq.

Our related person policy will require that a "related person" (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel, or such other person designated by the board of directors, any "related person transaction" (defined as any transaction that we anticipate would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The general counsel, or such other person, will then promptly communicate that information to our board of directors. No related person transaction entered into following this offering will be executed without the approval or ratification of our board of directors or a duly authorized committee of our board of directors. It is our policy that directors interested in a related person transaction will recuse themselves from any vote on a related person transaction in which they have an interest.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock by (1) each person known to us to beneficially own more than 5% of our voting securities, (2) each of our directors, (3) each of our named executive officers and (4) all directors and executive officers as a group.

The number of shares of common stock outstanding and percentage of beneficial ownership before this offering are based on the number of shares to be issued and outstanding immediately prior to the consummation of this offering, including after giving effect to the Reorganization Transactions. The number of shares of common stock and percentage of beneficial ownership after the consummation of this offering set forth below are based on the number of shares to be issued and outstanding immediately after the consummation of this offering.

Beneficial ownership is determined in accordance with the rules of the SEC. In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities and includes shares issuable pursuant to exchange or conversion rights that are exercisable within 60 days of the date of this prospectus.

To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock.

	Common Stock Beneficially Owned		Common Stock Beneficially Owned	
Name of Beneficial Owner(1)	Common Stock Beneficially Owned Prior to the Offering		After the Offering Assuming Underwriters' Option is Not Exercised	After the Offering Assuming Underwriters' Option is Exercised in Full
	Number	%	%	%
Greater than 5% Stockholders				
KKR Stockholders		%	%	%
MSI 2011 LLC (a Gochman Investor)		%	%	%
Named Executive Officers:				
Ken C. Hicks		%	%	%
Michael P. Mullican		%	%	%
Steven P. Lawrence		%	%	%
Samuel J. Johnson		%	%	%
Kenneth D. Attaway		%	%	%
Directors:				
Brian T. Marley		%	%	%
Vishal V. Patel		%	%	%
William S. Simon		%	%	%
Nathaniel H. Taylor		%	%	%
Aileen X. Yan		%	%	%
Directors and executive officers as a group (fourteen persons)		%	%	%

* Less than 1 percent of common stock outstanding.

(1) Unless otherwise indicated in the below, the address of each of the individuals named above is: c/o Academy Sports + Outdoors, Attention: General Counsel, 1800 North Mason Road, Katy, Texas 77449.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of, and is qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, each of which will be in effect upon the consummation of this offering, the forms of which are filed as exhibits to the registration statement of which this prospectus is a part.

Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL. Upon consummation of this offering, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock. Immediately following the completion of this offering, there are expected to be outstanding shares of common stock.

Common Stock

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of our common stock vote to elect our directors by a plurality of the votes cast. On all other matters other than those specified in our amended and restated certificate of incorporation and amended and restated by-laws, where a 66⅔% vote of the then outstanding shares of our common stock is required, the affirmative vote of a majority in voting power of shares present at a meeting of the holders of our common stock is required.

Holders of shares of our common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our common stock will be entitled to receive our remaining assets available for distribution.

Holders of shares of our common stock do not have preemptive, subscription or conversion rights. There are no redemption or sinking fund provisions applicable to our common stock.

Preferred Stock

We do not currently have any preferred stock outstanding. However, our amended and restated certificate of incorporation will authorize our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or by Nasdaq, the authorized shares of preferred stock will be available for issuance without further action by you. Our board of directors will be able to determine, with respect to any series of preferred stock, the terms and rights of that series, including:

1) the designation of the series;

2) the number of shares of the series, which our board of directors may, except where otherwise provided in the preferred stock designation, increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares then outstanding);

3) whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;

4) the dates at which dividends, if any, will be payable;

5) the redemption rights and price or prices, if any, for shares of the series;

6) the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

7) the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Company;

8) whether the shares of the series will be convertible into shares of any other class or series, or any other security, of the Company or any other corporation and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

9) restrictions on the issuance of shares of the same series or of any other class or series; and

10) the voting rights, if any, of the holders of the series.

We will be able to issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of the holders of our common stock might believe to be in their best interests or in which the holders of our common stock might receive a premium for their common stock over the market price of the common stock. In addition, the issuance of preferred stock may adversely affect the holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock or subordinating the liquidation rights of the common stock. As a result of these or other factors, the issuance of preferred stock may have an adverse impact on the market price of our common stock.

Dividends

The DGCL permits a corporation to declare and pay dividends out of "surplus" or, if there is no "surplus," out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. "Surplus" is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by the board of directors. The capital of the corporation is typically calculated to be (and cannot be less than) the aggregate par value of all issued shares of capital stock. Net assets equal the fair value of the total assets minus total liabilities. The DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

Declaration and payment of any dividend will be subject to the discretion of our board of directors. The time and amount of dividends will be dependent upon our financial condition, operations, cash requirements and availability, debt repayment obligations, capital expenditure needs and restrictions in our debt instruments, industry trends, the provisions of Delaware law affecting the payment of dividends to stockholders and any other factors our board of directors may consider relevant.

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and Certain Provisions of Delaware Law

Our amended and restated certificate of incorporation, amended and restated bylaws and the DGCL, which are summarized in the following paragraphs, contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of the Company by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider is in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of common stock held by stockholders.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of Nasdaq, which would apply if and so long as our common stock remains listed on Nasdaq, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital or to facilitate acquisitions.

Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of the Company or the removal of our management. Moreover, our authorized but unissued shares of preferred stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions or employee benefit plans.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Classified Board of Directors

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the board of directors.

Business Combinations

We have opted out of Section 203 of the DGCL; however, our amended and restated certificate of incorporation will contain similar provisions providing that we may not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors and by the affirmative vote of holders of at least 66⅔% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock. For purposes of this section only, "voting stock" has the meaning given to it in Section 203 of the DGCL.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with a corporation for a three-year period. This provision may encourage companies interested in acquiring the Company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Our amended and restated certificate of incorporation will provide that any of KKR Stockholders and their affiliates and any of their respective direct or indirect transferees and any group as to which such persons are a party do not constitute "interested stockholders" for purposes of this provision.

Removal of Directors; Vacancies

Under the DGCL, unless otherwise provided in our amended and restated certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class; *provided*, *however*, at any time when KKR Stockholders and their affiliates beneficially own, in the aggregate, less than 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, directors may only be removed for cause and only by the affirmative vote of holders of at least 66⅔% in voting power of all the then-outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws will also provide that, subject to the rights granted to one or more series of preferred stock then outstanding or the rights granted to KKR Stockholders under the stockholders agreement to be entered into in connection with this offering, any vacancies on our board of directors will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, by a sole remaining director or by the stockholders; *provided*, *however*, at any time when KKR Stockholders and their affiliates beneficially own, in the aggregate, less than 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, any newly created directorship on the board of directors that results from an increase in the number of directors and any vacancy occurring on the board of directors may only be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders).

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation will not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors will be able to elect all our directors.

Special Stockholder Meetings

Our amended and restated certificate of incorporation will provide that special meetings of our stockholders may be called at any time only by or at the direction of the board of directors or the chairman of the board of directors; *provided*, *however*, that KKR Stockholders and their affiliates are permitted to call special meetings of our stockholders for so long as they hold, in the aggregate, at least 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors. Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.

Requirements for Advance Notification of Director Nominations and Stockholder Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder's notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of stockholders. Our amended and restated bylaws will also specify requirements as to the form and content of a stockholder's notice. Our amended and restated bylaws will allow the chairman of the meeting at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These notice requirements will not apply to KKR Stockholders and their affiliates for as long as the stockholders agreement to be entered into in connection with this offering remains in effect. These provisions may defer, delay or discourage a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to influence or obtain control of the Company.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will preclude stockholder action by written consent once KKR Stockholders and their affiliates beneficially own, in the aggregate, less than 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors.

Supermajority Provisions

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that the board of directors is expressly authorized to make, alter, amend, change, add to, rescind or repeal, in whole or in part, our amended and restated bylaws without a stockholder vote in any matter not inconsistent with the laws of the State of Delaware or our amended and restated certificate of incorporation. For as long as KKR Stockholders and their affiliates beneficially own, in the aggregate, at least 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, any amendment, alteration, change, addition, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of a majority in voting power of the outstanding shares of our stock present in person or represented by proxy at the meeting of stockholders and entitled to vote on such amendment, alteration, change, addition, rescission or repeal. At any time when KKR Stockholders and their affiliates beneficially own, in the aggregate, less than 40% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, any amendment, alteration, change, addition, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our amended and restated certificate of incorporation will provide that once KKR Stockholders and their affiliates beneficially own, in the aggregate, less than 40% of the voting power of all outstanding shares of stock

entitled to vote generally in the election of directors, the following provisions in our amended and restated certificate of incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66⅔% in the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class:

- the provision requiring a 66⅔% supermajority vote for stockholders to amend our amended and restated bylaws;
- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding resignation and removal of directors;
- the provisions regarding competition and corporate opportunities;
- the provisions regarding entering into business combinations with interested stockholders;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding filling vacancies on our board of directors and newly created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director; and
- the amendment provision requiring that the above provisions be amended only with a 66⅔% supermajority vote.

The combination of the classification of our board of directors, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

These supermajority provisions may have the effect of deterring hostile takeovers, delaying or preventing changes in control of our management or the Company, such as a merger, reorganization or tender offer. These supermajority provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of the Company. These supermajority provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The supermajority provisions are also intended to discourage certain tactics that may be used in proxy fights. However, such supermajority provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such supermajority provisions may also have the effect of preventing changes in management.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Exclusive Forum

Our amended and restated certificate of incorporation will provide, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or stockholder of the Company to the Company or our stockholders, creditors or other constituents, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, which already provides that such claims must be brought exclusively in the federal courts. Our amended and restated certificate of incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the U.S. federal district courts will be the exclusive forum for the resolution of any actions or proceedings asserting claims arising under the Securities Act. While the Delaware Supreme Court has upheld the validity of similar provisions under the DGCL, there is uncertainty as to whether a court in another state would enforce such a forum selection provision. Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company will be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and restated certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, any of KKR Stockholders or any of their affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will not have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that any of KKR Stockholders or any of their affiliates or any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our amended and restated certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of the Company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our amended and restated certificate of incorporation, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation will include a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our amended and restated bylaws will provide that we must generally indemnify, and advance expenses to, our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We also intend to enter into indemnification agreements with our directors, which agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc.

Listing

We intend to apply to have our common stock listed on Nasdaq under the symbol "ASO."

DESCRIPTION OF CERTAIN INDEBTEDNESS

ABL Facility

On July 2, 2015, Academy, Ltd. entered into a five-year $650 million secured asset-based revolving credit facility, or the 2015 ABL Facility, with JPMorgan Chase Bank, N.A., as administrative agent, and other lenders. On May 22, 2018, Academy, Ltd. amended the agreement governing the 2015 ABL Facility, or as amended, the ABL Facility, to increase the commitments under the facility from $650 million to $1 billion. The ABL Facility matures on May 22, 2023, subject to a springing maturity clause which is triggered 91 days before the July 2, 2022 maturity of the Term Loan Facility should it not be paid off or extended at least 91 days beyond the May 22, 2023 maturity date of the ABL Facility. Academy, Ltd. has the option to increase the commitments under the ABL Facility by $250 million, subject to the satisfaction of certain conditions under the credit agreement governing the ABL Facility.

Availability under the ABL Facility is subject to a borrowing base calculation. The borrowing base consists of 90% of the face amount of our eligible credit card receivables on a consolidated basis, *plus* 90% of the net orderly liquidation value percentage of our eligible inventory on a consolidated basis, *minus* the then applicable amount of all reserves.

As of August 1, 2020, we had outstanding letters of credit of approximately $29.7 million, of which $19.9 million were issued under the ABL Facility, and no borrowings outstanding under the ABL Facility, leaving the available borrowing capacity under the ABL Facility of $694.1 million (which is subject to customary borrowing conditions, including a borrowing base).

Borrowings under the ABL Facility bear interest, at our election, at either of (1) LIBOR plus a margin of 1.25% to 1.75%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) JPMorgan Chase Bank, N.A.'s "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 0.25% to 0.75%. The ABL Facility also provides a fee applicable to the unused commitments of 0.25%. The terms and conditions of the ABL Facility also require that we prepay outstanding loans under the ABL Facility under certain circumstances. As of August 1, 2020, no future prepayments of outstanding loans have been triggered under the terms and conditions of the ABL Facility.

Term Loan Facility

On July 2, 2015, Academy, Ltd. entered into a seven-year $1.8 billion senior secured term loan facility, or the Term Loan Facility, with Morgan Stanley Senior Funding, Inc., as the administrative and collateral agent, and other lenders. The Term Loan Facility matures on July 2, 2022. The Term Loan Facility bears interest, at our election, at either (1) LIBOR rate with a floor of 1.00%, plus a margin of 4.00%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Morgan Stanley Senior Funding, Inc.'s "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 3.00%. Quarterly principal payments of approximately $4.6 million are required through June 30, 2022, with the balance due in full on the maturity date of July 2, 2022. As of August 1, 2020, the weighted average interest rate was 5.00%, with interest payable monthly. The terms and conditions of the Term Loan Facility also require that outstanding loans under the Term Loan Facility are prepaid under certain circumstances. As of August 1, 2020, no prepayments of outstanding loans have been triggered under the terms and conditions of the Term Loan Facility.

Beginning in the third quarter of 2017 through the end of 2017, we repurchased a total of $26.2 million of principal of the Term Loan Facility, which was trading at a discount, for $19.7 million in open market transactions and recognized a related net gain of $6.3 million. In 2019, we repurchased $147.7 million of principal of the Term Loan Facility, which was trading at a discount, for $104.6 million in open market transactions and recognized a net gain of $42.3 million. As of August 1, 2020, there was $1,434.0 million of principal outstanding under the Term Loan Facility, net of discount.

Liens and Guarantees

The ABL Facility has a first priority lien on all Academy, Ltd.'s cash, accounts receivable, inventory, deposit and securities accounts and proceeds therefrom, or the ABL Collateral. Additionally, the ABL Facility has a second priority lien on all other collateral securing the Term Loan Facility. All obligations under the Term Loan Facility and the guarantees of those obligations are secured by:

- a second-priority security interest in the ABL Collateral;
- a first-priority security interest in, and mortgages on, substantially all present and after acquired tangible and intangible assets of Academy, Ltd.; and
- a first-priority pledge of 100% of the capital stock of Academy, Ltd.'s domestic subsidiaries and 66% of the voting capital stock of each of Academy, Ltd.'s foreign subsidiaries, if any, that are directly owned by Academy, Ltd. or a future U.S. guarantor, if any.

The ABL Facility and the Term Loan Facility are each guaranteed on a senior secured basis by New Academy Holding Company, LLC and all of its subsidiaries, except for Academy International Limited, a Hong Kong limited liability company and subsidiary of Academy, Ltd.

Covenants

The credit agreements governing ABL Facility and the Term Loan Facility contain covenants, including, among other things, covenants that restrict Academy, Ltd.'s and its restricted subsidiaries' ability to incur certain additional indebtedness, create or permit liens on assets, engage in mergers or consolidations, pay dividends, make other restricted payments, make loans or advances, engage in transactions with affiliates or amend material documents. Additionally, at certain times, the ABL Facility is subject to a certain minimum adjusted fixed charge coverage ratio. These covenants are subject to certain qualifications and limitations. We were in compliance with these covenants as of August 1, 2020.

Events of Default

The credit agreements governing the ABL Facility and the Term Loan Facility contain customary events of default including, but not limited to, failure to pay principal or interest, breaches of representations and warranties, violations of affirmative or negative covenants, cross-defaults to other material indebtedness, a bankruptcy or similar proceeding being instituted by or against us, rendering of certain monetary judgments against us, invalidity of collateral documents and changes of control.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock. We cannot predict the effect, if any, future sales of shares of common stock, or the availability for future sale of shares of common stock, will have on the market price of shares of our common stock prevailing from time to time. Future sales of substantial amounts of our common stock in the public market or the perception that such sales might occur may adversely affect market prices of our common stock prevailing from time to time and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate. Furthermore, there may be sales of substantial amounts of our common stock in the public market after the existing legal and contractual restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future. See "Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—Future sales, or the perception of future sales, by us or our existing owners in the public market following this offering could cause the market price of our common stock to decline."

Upon completion of this offering we will have a total of shares of our common stock outstanding. Of the outstanding shares, the shares sold in this offering (or shares if the underwriters exercise in full their over-allotment option) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144, including our directors, executive officers and other affiliates (including our existing owners), may be sold only in compliance with the limitations described below.

Lock-up Agreements

In connection with this offering, we, our executive officers, directors and certain of our existing owners will agree, subject to certain exceptions, not to sell, dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, for a period of 180 days after the date of this prospectus. See "Underwriting."

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person (or persons whose shares are aggregated) who is not deemed to be or have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than an affiliate, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of a prior owner other than an affiliate, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares of our common stock on behalf of our affiliates, who have met the six month holding period for beneficial ownership of "restricted shares" of our common stock, are entitled to sell upon the expiration of the lock-up agreements described above, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average reported weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. The sale of these shares, or the perception that sales will be made, could adversely affect the price of our common stock after this offering because a great supply of shares would be, or would be perceived to be, available for sale in the public market.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who received shares of our common stock from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering are entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, holding period, volume limitation or notice filing requirements of Rule 144.

Registration Statements on Form S-8

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock subject to issuance under the existing 2011 Equity Plan and the 2020 Equity Plan and the ESPP to be adopted in connection with this offering. Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly shares of our common stock registered under such registration statements will be available for sale in the open market. We expect that the initial registration statement on Form S-8 will cover shares of our common stock.

Registration Rights

For a description of rights some holders of common stock will have to require us to register the shares of common stock they own, see “Certain Relationships and Related Party Transactions—Registration Rights Agreement.” Registration of these shares under the Securities Act would result in these shares becoming freely tradable immediately upon effectiveness of such registration.

Following completion of this offering, the shares of our common stock covered by registration rights would represent approximately % of our outstanding common stock (or %, if the underwriters exercise in full their option to purchase additional shares). These shares of common stock also may be sold under Rule 144, depending on their holding period and subject to restrictions in the case of shares held by persons deemed to be our affiliates.

MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income and estate tax consequences to a non-U.S. holder (as defined below) of the purchase, ownership and disposition of our common stock as of the date hereof. Except where noted, this summary deals only with common stock that is held as a capital asset.

A "non-U.S. holder" means a beneficial owner of our common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, and the Treasury Regulations promulgated thereunder, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below. We cannot assure you that such a change in law will not alter significantly the tax considerations we describe in this summary. This summary does not address all aspects of U.S. federal income and estate taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income and estate tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws (including if you are a U.S. expatriate, foreign pension fund, financial institution, insurance company, tax-exempt organization, trader, broker or dealer in securities "controlled foreign corporation," "passive foreign investment company," a partnership or other pass-through entity for U.S. federal income tax purposes (or an investor in such a pass-through entity), a person who acquired shares of our common stock as compensation or otherwise in connection with the performance of services, or a person who has acquired shares of our common stock as part of a straddle, hedge, conversion transaction or other integrated investment).

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should consult your tax advisors.

If you are considering the purchase of our common stock, you should consult your own tax advisors concerning the particular U.S. federal income and estate tax consequences to you of the purchase, ownership and disposition of our common stock, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

Distributions

As discussed above under "Dividend Policy", we do not currently anticipate paying cash dividends on shares of our common stock in the foreseeable future. If we make distributions of cash or other property (other than certain pro rata distributions of our stock) in respect of our common stock, the distribution will generally be treated as a dividend for U.S. federal income tax purposes to the extent it is paid from our current or accumulated

earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital to the extent of the non-U.S. holder's adjusted tax basis in our common stock, causing a reduction in the adjusted tax basis of a non-U.S. holder's common stock, but not below zero. To the extent the amount of the distribution exceeds a non-U.S. holder's adjusted basis in our common stock, the excess will be treated as described below under "—Gain on Disposition of Common Stock."

Dividends paid to a non-U.S. holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the non-U.S. holder) are not subject to such withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a U.S. person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder of our common stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our common stock eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the Internal Revenue Service. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to the benefits under any applicable income tax treaty.

Gain on Disposition of Common Stock

Subject to the discussion of backup withholding below, any gain realized by a non-U.S. holder on the sale or other taxable disposition of our common stock generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition, and certain other conditions are met; or
- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the gain derived from the sale under regular graduated U.S. federal income tax rates. In addition, if any non-U.S. holder described in the first bullet point immediately above is a foreign corporation, the gain realized by such non-U.S. holder may be subject to the branch profits at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty). An individual non-U.S. holder described in the second bullet point immediately above will be subject to a tax equal to 30% (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States, provided that the individual has timely filed U.S. federal income tax returns with respect to such losses.

We believe we are not and do not anticipate becoming a "U.S. real property holding corporation" for U.S. federal income tax purposes.

Federal Estate Tax

Common stock held by an individual non-U.S. holder at the time of death will be included in such holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the Internal Revenue Service and to each non-U.S. holder the amount of distributions paid to such holder and the tax withheld with respect to such distributions, regardless of whether withholding was required. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will not be subject to backup withholding on dividends received if such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a U.S. person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our common stock made within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), a 30% U.S. federal withholding tax may apply to any dividends paid on our common stock to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Distributions," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our common stock.

UNDERWRITING (CONFLICTS OF INTEREST)

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2020, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
J.P. Morgan Securities LLC	
KKR Capital Markets LLC	
BofA Securities, Inc.	
Evercore Group L.L.C.	
Guggenheim Securities, LLC	
UBS Securities LLC	
Wells Fargo Securities LLC	
Stephens Inc.	
Capital One Securities, Inc.	
Loop Capital Markets LLC	
CastleOak Securities, L.P.	
Blaylock Van, LLC	
Cabrera Capital Markets	
Ramirez & Co., Inc.	
R. Seelaus & Co., LLC	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of up to $ per share. After the initial public offering the representatives may change the public offering price and concession.

The following table summarizes the compensation and estimated expenses we will pay:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid	$	$	$	$
Expenses payable	$	$	$	$

We have also agreed to reimburse the underwriters for up to $ of expenses related to the review of this offering by the Financial Industry Regulatory Authority, Inc., or FINRA. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for this offering.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus.

Our executive officers, directors and certain of our existing owners have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or
publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus, subject to certain exceptions.

We will apply to list the shares of common stock on Nasdaq, under the symbol “ASO.”

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations among us and the representatives and will not necessarily reflect the market price of the common stock following this offering. The principal factors that were considered in determining the initial public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of, and prospects for, the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development, results of operations and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot assure you that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to this offering or that an active trading market for the common stock will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of

shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.
- In passive market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on Nasdaq or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

Conflicts of Interest

Affiliates of KKR beneficially own in excess of 10% of our issued and outstanding common stock. Because KKR Capital Markets LLC, an affiliate of KKR, is an underwriter in this offering and its affiliates own in excess of 10% of our issued and outstanding common stock, KKR Capital Markets LLC is deemed to have a “conflict of interest” under Rule 5121. Accordingly, this offering is being made in compliance with the requirements of Rule 5121. Pursuant to that rule, the appointment of a “qualified independent underwriter” is not required in connection with this offering as the member primarily responsible for managing the public offering does not have a conflict of interest, is not an affiliate of any member that has a conflict of interest and meets the requirements

of paragraph (f)(12)(E) of Rule 5121. KKR Capital Markets LLC will not confirm sales of the securities to any account over which it exercises discretionary authority without the specific written approval of the account holder.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area, each a Member State, no securities have been offered or will be offered to the public in that Member State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Notice to Prospective Investors in the United Kingdom

Each of the underwriters severally represents, warrants and agrees as follows:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of the securities in circumstances in which Section 21 of the FSMA does not apply to us; and

(b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in Hong Kong

The securities may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the depositary securities may be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to depositary securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

(i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA,

(ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Australia

This prospectus is not a formal disclosure document and has not been, nor will be, lodged with the Australian Securities and Investments Commission. It does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth)) for the purposes of Part 6D.2 of the Corporations Act 2001 (Cth) or in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Cth), in either case, in relation to the securities. The securities are not being offered in Australia to "retail clients" as defined in sections 761G and 761GA of the Corporations Act 2001 (Cth). This offering is being made in Australia solely to "wholesale clients" for the purposes of section 761G of the Corporations Act 2001 (Cth) and, as such, no prospectus, product disclosure statement or other disclosure document in relation to the securities has been, or will be, prepared.

This prospectus does not constitute an offer in Australia other than to persons who do not require disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) and who are wholesale clients for the purposes of section 761G of the Corporations Act 2001 (Cth). By submitting an application for the securities, you represent and warrant to us that you are a person who does not require disclosure under Part 6D.2 and who is a wholesale client for the purposes of section 761G of the Corporations Act 2001 (Cth). If any recipient of this prospectus is not a wholesale client, no offer of, or invitation to apply for, the securities shall be deemed to be made to such recipient and no applications for such securities will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for the securities you undertake to us that, for a period of twelve months from the date of issue of the securities, you will not transfer any interest in the securities to any person in Australia other than to a person who does not require disclosure under Part 6D.2 and who is a wholesale client.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters relating to this offering will be passed upon for the underwriters by Latham & Watkins LLP, New York, New York.

EXPERTS

The balance sheet of Academy Sports and Outdoors, Inc. as of June 30, 2020 included in this prospectus has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such balance sheet is included in reliance on the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of New Academy Holding Company, LLC as of February 1, 2020 and February 2, 2019, and for each of the three fiscal years in the period ended February 1, 2020, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein which report expresses an unqualified opinion on the financial statements and includes an explanatory paragraph referring to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), using the modified retrospective approach. Such financial statements are included in reliance on the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus with the SEC. This prospectus is a part of the registration statement and does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, you should refer to the registration statement and its exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract or other document referred to in those documents are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement or other document. Each of these statements is qualified in all respects by this reference.

Following the completion of this offering, we will be subject to the informational reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC will be available to the public on the SEC's website at http://www.sec.gov. Those filings will also be available to the public on, or accessible through, our website (www.academy.com) under the heading "Investor Relations." The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not part of this prospectus or the registration statement of which this prospectus is a part.

We intend to make available to our common stockholders annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

INDEX TO FINANCIAL STATEMENTS

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollar amounts in thousands)

	August 1, 2020 (Actual)	August 1, 2020 (Pro Forma, Note 2)	February 1, 2020	August 3, 2019
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	**$ 884,029**	**$**	$ 149,385	$ 52,090
Accounts receivable - less allowance for doubtful accounts of $3,323, $3,275 and $2,730, respectively	**9,181**		13,999	10,215
Merchandise inventories, net	**899,086**		1,099,749	1,203,806
Prepaid expenses and other current assets	**30,495**		24,548	23,208
Assets held for sale	**1,763**		1,763	1,763
Total current assets	**1,824,554**		1,289,444	1,291,082
PROPERTY AND EQUIPMENT, NET	**396,559**		441,407	464,323
RIGHT-OF-USE ASSETS	**1,171,736**		1,145,705	1,155,072
TRADE NAME	**577,000**		577,000	577,000
GOODWILL	**861,920**		861,920	861,920
OTHER NONCURRENT ASSETS	**11,079**		15,845	17,232
Total assets	**$ 4,842,848**	**$**	$ 4,331,321	$ 4,366,629
LIABILITIES AND PARTNERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	**$ 726,666**	**$**	$ 428,823	$ 474,275
Accrued expenses and other current liabilities	**245,072**		211,381	216,840
Current lease liabilities	**76,485**		76,329	86,145
Current maturities of long-term debt	**18,250**		34,116	18,250
Total current liabilities	**1,066,473**		750,649	795,510
LONG-TERM DEBT, net of current maturities	**1,412,800**		1,428,542	1,470,108
LONG-TERM LEASE LIABILITIES	**1,181,819**		1,141,896	1,136,946
OTHER LONG-TERM LIABILITIES	**29,683**		19,197	20,578
Total liabilities	**3,690,775**		3,340,284	3,423,142
COMMITMENTS AND CONTINGENCIES (NOTE 13)				
REDEEMABLE MEMBERSHIP UNITS	**2,977**		2,818	18,185
PARTNERS' EQUITY/SHAREHOLDERS' EQUITY:				
Common stock				
Additional paid-in capital				
Partners' equity, membership units authorized, issued and outstanding 228,306,033; 228,274,749 and 228,346,526, respectively	**1,157,435**		996,285	931,586
Accumulated other comprehensive loss	**(8,339)**		(8,066)	(6,284)
Partners' equity	**1,149,096**		988,219	925,302
Total liabilities and partners' equity	**$ 4,842,848**	**$**	$ 4,331,321	$ 4,366,629

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Amounts in thousands)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	**August 3, 2019**	**August 1, 2020**	**August 3, 2019**
NET SALES	**$ 1,606,420**	$ 1,237,410	**$ 2,742,721**	$ 2,314,202
COST OF GOODS SOLD	**1,109,919**	852,206	**1,948,275**	1,616,002
GROSS MARGIN	**496,501**	385,204	**794,446**	698,200
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**312,713**	312,570	**596,636**	614,172
OPERATING INCOME	**183,788**	72,634	**197,810**	84,028
INTEREST EXPENSE, NET	**23,566**	25,549	**48,088**	52,586
GAIN ON EARLY RETIREMENT OF DEBT, NET	**(7,831)**	(1,127)	**(7,831)**	(42,265)
OTHER (INCOME), NET	**(628)**	(1,013)	**(1,621)**	(1,454)
INCOME BEFORE INCOME TAXES	**168,681**	49,225	**159,174**	75,161
INCOME TAX EXPENSE	**1,005**	878	**1,518**	1,408
NET INCOME	**$ 167,676**	$ 48,347	**$ 157,656**	$ 73,753
EARNINGS PER UNIT:				
BASIC	**$ 0.73**	$ 0.21	**$ 0.69**	$ 0.32
DILUTED	**$ 0.72**	$ 0.21	**$ 0.67**	$ 0.31
WEIGHTED AVERAGE UNITS OUTSTANDING:				
BASIC	**228,306,033**	228,326,985	**228,300,128**	228,308,074
DILUTED	**234,485,451**	234,700,060	**234,635,551**	235,511,210
Unaudited Pro Forma Financial Information (NOTE 2):				
Income before income taxes	$ 168,681		**$ 159,174**	
Pro forma income tax expense	42,332		**40,516**	
Pro forma net income	$ 126,349		**$ 118,658**	
Pro forma earnings per share:				
Basic			**$**	
Diluted			**$**	
Pro forma weighted average shares outstanding:				
Basic				
Diluted				

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Amounts in thousands)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
COMPREHENSIVE INCOME:				
Net income	**$ 167,676**	$ 48,347	**$ 157,656**	$ 73,753
Unrealized loss on interest rate swaps	**(606)**	(9,632)	**(5,040)**	(13,142)
Recognized interest (income) expense on interest rate swaps	**2,874**	(708)	**4,767**	(1,590)
Total comprehensive income	**$ 169,944**	$ 38,007	**$ 157,383**	$ 59,021

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(Unaudited)
(Dollar amounts in thousands)

	Redeemable Membership Units		Partners' Equity				Total Membership Units
			Partners' Equity		Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity	
	Units	Amount	Units	Amount	Amount	Amount	Units
Balances as of February 1, 2020	**511,524**	**$ 2,818**	**227,763,225**	**$ 996,285**	**$ (8,066)**	**$ 988,219**	**228,274,749**
Net loss	—	—	—	(10,020)	—	(10,020)	—
Equity compensation	—	—	—	2,109	—	2,109	—
Adjustment to Redeemable Membership Units for settlement of vested Restricted Units	38,024	200	—	(200)	—	(200)	38,024
Adjustment to Redeemable Membership Units for repurchase of units from Managers	(6,740)	(41)	6,740	41	—	41	—
Repurchase of Redeemable Membership Units	—	—	(6,740)	(37)	—	(37)	(6,740)
Unrealized loss on interest rate swaps	—	—	—	—	(4,434)	(4,434)	—
Recognized interest expense on interest rate swaps	—	—	—	—	1,893	1,893	—
Balances as of May 2, 2020	542,808	$ 2,977	227,763,225	$ 988,178	$ (10,607)	$ 977,571	228,306,033
Net income	—	—	—	167,676	—	167,676	—
Equity compensation	—	—	—	1,581	—	1,581	—
Unrealized loss on interest rate swaps	—	—	—	—	(606)	(606)	—
Recognized interest expense on interest rate swaps	—	—	—	—	2,874	2,874	—
Balances as of August 1, 2020	**542,808**	**$ 2,977**	**227,763,225**	**$1,157,435**	**$ (8,339)**	**$1,149,096**	**228,306,033**

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(Unaudited)
(Dollar amounts in thousands)

	Redeemable Membership Units		Partners' Equity				Total Membership Units
			Partners' Equity		Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity	
	Units	Amount	Units	Amount	Amount	Amount	Units
Balances as of February 2, 2019	4,289,056	$ 17,885	224,000,107	$848,591	$ 8,448	$ 857,039	228,289,163
Net income	—	—	—	25,406	—	25,406	—
Equity compensation	—	—	—	2,022	—	2,022	—
Cumulative-effect adjustment related to the adoption of the New Lease Standard	—	—	—	5,075	—	5,075	—
Unrealized loss on interest rate swaps	—	—	—	—	(3,510)	(3,510)	—
Recognized interest income on interest rate swaps	—	—	—	—	(882)	(882)	—
Balances as of May 4, 2019	4,289,056	$ 17,885	224,000,107	$881,094	$ 4,056	$ 885,150	228,289,163
Net income	—	—	—	48,347	—	48,347	—
Equity compensation	—	—	—	2,445	—	2,445	—
Adjustment to Redeemable Membership Units for settlement of vested Restricted Units	57,363	300	—	(300)	—	(300)	57,363
Unrealized loss on interest rate swaps	—	—	—	—	(9,632)	(9,632)	—
Recognized interest income on interest rate swaps	—	—	—	—	(708)	(708)	—
Balances as of August 3, 2019	**4,346,419**	**$ 18,185**	**224,000,107**	**$931,586**	**$ (6,284)**	**$ 925,302**	**228,346,526**

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Twenty-Six Weeks Ended	
	August 1, 2020	**August 3, 2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**$ 157,656**	$ 73,753
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**54,151**	59,097
Non-cash lease expense	**14,049**	1,464
Equity compensation	**3,690**	4,467
Amortization of deferred loan and other costs	**1,827**	1,874
Deferred income taxes	**—**	(165)
Non-cash gain on early retirement of debt, net	**(7,831)**	(42,265)
Gain on disposal of property and equipment	**—**	(23)
Casualty loss	**16**	—
Changes in assets and liabilities:		
Accounts receivable, net	**4,819**	6,260
Merchandise inventories, net	**200,647**	(69,650)
Prepaid expenses and other current assets	**(1,623)**	(1,656)
Other noncurrent assets	**(74)**	(109)
Accounts payable	**302,391**	42,773
Accrued expenses and other current liabilities	**32,335**	28,908
Other long-term liabilities	**11,568**	(767)
Net cash provided by operating activities	**773,621**	103,961
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	**(13,850)**	(27,802)
Proceeds from the sale of property and equipment	**—**	23
Notes receivable from member	**—**	(3,988)
Net cash used in investing activities	**(13,850)**	(31,767)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	**500,000**	314,900
Repayment of revolving credit facility	**(500,000)**	(297,000)
Repayment of term loan facility	**(25,090)**	(113,695)
Repurchase of Redeemable Membership Units	**(37)**	—
Net cash used in financing activities	**(25,127)**	(95,795)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**734,644**	(23,601)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**149,385**	75,691
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 884,029**	$ 52,090
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	**$ 46,694**	$ 50,798
Cash paid for state and local income taxes	**$ 2,461**	$ 2,588
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Change in capital expenditures in accounts payable and accrued liabilities	**$ 4,547**	$ 535
Right-of-use assets obtained in exchange for new operating leases	**$ 71,118**	$ 22,409

See Condensed Notes to Consolidated Financial Statements

NEW ACADEMY HOLDING COMPANY, LLC
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Operations

The Company

New Academy Holding Company, LLC, a Delaware limited liability company, or Holdco and, together with its direct and indirect subsidiaries, the Company, we, us or our, is a holding company that conducts its operations through its subsidiaries, including its indirect subsidiary Academy, Ltd., a Texas limited partnership doing business as "Academy Sports + Outdoors", or Academy, Ltd. Our fiscal year represents the 52 or 53 weeks ending on the Saturday closest to January 31. On August 3, 2011, an investment entity owned by investment funds and other entities affiliated with Kohlberg Kravis Roberts & Co. L.P., or collectively, KKR, acquired a majority interest in the Company.

The Company is one of the leading full-line sporting goods and outdoor recreational products retailers in the United States in terms of net sales. As of August 1, 2020, we operated 259 "Academy Sports + Outdoors" retail locations in 16 states and three distribution centers located in Katy, Texas, Twiggs County, Georgia and Cookeville, Tennessee. Our distribution centers receive, store and ship merchandise to our stores and customers. We also sell merchandise to customers across most of the United States via our *academy.com* website.

2. Summary of Significant Accounting Policies

The accompanying unaudited financial statements of the Company have been prepared as though they were required to be in accordance with Rule 10-01 of Regulation S-X for interim financial statements, however, they do not include all information and footnotes required by United States generally accepted accounting principles, or GAAP, for complete financial statements. The information furnished herein reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The results of operations for the thirteen and twenty-six weeks ended August 1, 2020 are not necessarily indicative of the results that will be realized for the fiscal year ending January 30, 2021 or any other period. The balance sheet as of February 1, 2020 has been derived from our audited financial statements as of that date. For further information, refer to our audited financial statements and notes thereto included for the year ended February 1, 2020.

Basis of Presentation and Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of Holdco, its wholly owned subsidiary New Academy Finance Company LLC, or Finco, and the accounts of Finco's wholly owned subsidiaries Academy Managing Co., LLC, Associated Investors, LLC and New Academy Finance Corporation. Academy Managing Co., LLC and Associated Investors, LLC are holding companies and are the sole general partner and sole limited partner, respectively, of Academy, Ltd., the Company's operating company. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Our management bases its estimates on historical experience and other assumptions it believes to be reasonable under the circumstances. Actual results could differ significantly from those estimates. Our most significant estimates and assumptions that materially affect

the financial statements involve difficult, subjective or complex judgments by management include the valuation of merchandise inventories and performing goodwill, intangible and long-lived asset impairment analyses. Given the global economic climate and additional unforseen effects from the COVID-19 pandemic, these estimates are becoming more challenging, and actual results could differ materially from our estimates.

Unaudited Pro Forma Financial Information

In connection with the proposed initial public offering, or the IPO, of Academy Sports and Outdoors, Inc., a Delaware corporation, or an IPO issuer, we will undertake a series of reorganization transactions, or the Reorganization Transactions, that will result in, among other things, Holdco being contributed by its unitholders to the IPO issuer and becoming a wholly owned subsidiary of the IPO issuer.

The unaudited pro forma financial information provided on the consolidated statements of income (loss) provides the estimated impact to net income (loss) and earnings per unit based upon the anticipated conversion of the Company to a C corporation in connection with the IPO. We are currently treated as a flow through entity for U.S. federal income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income (loss). After consummation of the IPO, we will become subject to U.S. federal income taxes and additional state income taxes and be taxed at the prevailing corporate rates. The pro forma tax expense assumed in the unaudited pro forma financial information is estimated to be 24.5% plus certain state taxes we currently include in income tax expense as a flow through entity. Our actual income tax rate, and our actual income tax liability, after the IPO may be different from our assumed rate, and such difference may be material.

On August 28, 2020, Holdco distributed a $257.0 million one-time special distribution (the “Distribution”) to existing unitholders of record as of August 25, 2020.

U.S. Securities and Exchange Commission Staff Accounting Bulletin 1.B.3 requires that certain distributions to owners prior to or concurrent with an initial public offering be considered as distributions in contemplation of that offering. The Company is required to present unaudited basic and diluted pro forma net income per share of common stock as a result of the Distribution, which is assumed to have been made in contemplation of the proposed IPO.

Unaudited basic and diluted pro forma net income per share data presented below assumed that (i) shares of common stock of the IPO issuer were issued and outstanding for the twenty-six weeks ended August 1, 2020 in connection with the contribution of Holdco by its unitholders and related Reorganization Transactions and related cancellation of all outstanding partners’ equity at Holdco in connection with the IPO and (ii) an additional of the Company’s shares of common stock were outstanding for the twenty-six weeks ended August 1, 2020, which represents the number of shares of common stock that the Company would have been required to issue to fund the amount of the Distribution in excess of its net income for the twelve months ended August 1, 2020. The number of shares that the Company would have been required to issue to pay the Distribution was calculated by dividing the portion of the total $257.0 million Distribution in excess of the Company’s net income for the twelve months ended August 1, 2020 by an assumed initial public offering price in the IPO of $ per share, representing the midpoint of the estimated price range set forth on the cover page of the prospectus.

The table below sets forth the computation of the Company's unaudited basic and diluted pro forma net income per share for the twenty-six week period ended August 1, 2020:

PRO FORMA NET INCOME PER SHARE: (In thousands, except for share and per share data)	Basic	Diluted
Pro forma net income	$ 118,658	$ 118,658
Weighted average shares of common stock outstanding after giving effect to the Reorganization Transactions		
Adjustment to weighted average shares of common stock outstanding related to the Distribution		
Pro forma weighted average shares of common stock outstanding		
Pro forma net income per share	$	$

The unaudited pro forma financial information provided on the consolidated balance sheet gives effect to the Distribution, including the use of $248.0 million of cash to fund the Distribution and the related decrease of $ million in partners' equity.

Reclassifications

Certain reclassifications have been made in the prior period consolidated financial statements to conform to the current period presentation. Within the merchandise division sales table presented in Note 3, certain products and categories were recategorized amongst various categories and divisions, respectively, to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions in the thirteen and twenty-six weeks ended August 3, 2019 for comparability purposes. This reclassification is in divisional presentation only and did not impact the overall net sales balances previously disclosed.

Redeemable Membership Units

Allstar Managers LLC, a Delaware limited liability company, or Managers, owns membership units in Holdco, or each a Holdco Membership Unit. Managers is 100% owned by certain current and former executives and directors of the Company and was formed to facilitate the purchase of indirect contingently redeemable ownership interests in the Company. Certain executives and directors may acquire contingently redeemable membership units in Managers, or the Redeemable Membership Units, either (1) by purchasing the Redeemable Membership Units with cash consideration, which is subsequently contributed to Holdco by Managers in exchange for a number of Holdco Membership Units equal to the number of Redeemable Membership Units purchased, or (2) by receiving the Redeemable Membership Units in settlement of vested restricted units awarded to the executive or director under the Company's 2011 Unit Incentive Plan (see Note 10). Each outstanding Redeemable Membership Unit in Managers corresponds to an outstanding Holdco Membership Unit, on a unit-for-unit basis. Holdco is the sole managing member of Managers with a controlling voting interest, but no economic interest, in Managers. As the sole managing member of Managers, Holdco operates and controls all business affairs of Managers.

The terms and conditions of the agreements governing the Redeemable Membership Units include provisions by which the holder, or its heirs, has the right to require Managers or the Company to purchase the holder's Redeemable Membership Units upon the holder's termination of employment due to death or disability for cash at fair value. The carrying value of the Redeemable Membership Units is classified as temporary equity, initially at fair value, as redemption is an event that is not solely within our control. If redemption becomes probable, we are required to re-measure the Redeemable Membership Units to fair value. Periodically, this right may lapse due to contractual expiration or a holder's termination of employment for reasons other than death or disability. Due to the lapse of this right for certain issuances, $14.9 million was reclassified from temporary equity to Partners' Equity during the 2019 third quarter.

3. Net Sales

Revenue from merchandise sales is recognized, net of sales tax, when the Company's performance obligation to the customer is met, which is when the Company transfers control of the merchandise to the customer. Store merchandise sales are recognized at the point of sale and e-commerce sales are recognized upon delivery to the customer.

The following table sets forth the approximate amount of sales by merchandise divisions for the periods presented (amounts in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Merchandise division sales (1)				
Outdoors	**$ 532,786**	$ 337,584	**$ 961,591**	$ 637,346
Sports and recreation	**360,828**	273,189	**656,173**	524,882
Apparel	**412,595**	358,919	**620,662**	629,044
Footwear	**293,146**	263,564	**489,558**	514,213
Total merchandise sales (2)	**1,599,355**	1,233,256	**2,727,984**	2,305,485
Other sales (3)	**7,065**	4,154	**14,737**	8,717
Net Sales	**$ 1,606,420**	$ 1,237,410	**$ 2,742,721**	$ 2,314,202

(1) Certain products and categories were recategorized amongst various categories and divisions, respectively, to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions in the thirteen and twenty-six weeks ended August 3, 2019 for comparability purposes. This reclassification is in divisional presentation only and did not impact the overall net sales balances previously disclosed (see Note 2).

(2) E-commerce sales consist of 9.4% and 10.9% of merchandise sales for the thirteen and twenty-six weeks ended August 1, 2020, respectively, and 3.9% and 3.4% for the thirteen and twenty-six weeks ended August 3, 2019, respectively.

(3) Other sales consists primarily of the sales return allowance, gift card breakage income, credit card bounties and royalties, shipping income, net hunting and fishing license income and other items.

We sell gift cards in stores, online and in third-party retail locations. A liability for gift cards, which is recorded in accrued expenses and other liabilities on our balance sheets is established at the time of sale and revenues are recognized as the gift cards are redeemed in stores or on our website.

The following is a reconciliation of the gift card liability (amounts in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Gift card liability, beginning balance	**$ 57,786**	$ 54,523	**$ 67,993**	$ 66,153
Issued	**21,008**	26,062	**32,614**	44,501
Redeemed	**(22,703)**	(29,090)	**(43,713)**	(58,233)
Recognized as breakage income	**(681)**	(864)	**(1,484)**	(1,790)
Gift card liability, ending balance	**$ 55,410**	$ 50,631	**$ 55,410**	$ 50,631

4. Long-Term Debt

Our debt consisted of the following (amounts in thousands) as of:

	August 1, 2020	February 1, 2020	August 3, 2019
Senior Secured Asset-Based Revolving Credit Facility	**$ —**	$ —	$ 17,900
Senior Secured Term Loan Facility, due July 2022 net of discount of $2.0 million, $2.6 million and $3.1 million, respectively	**1,433,965**	1,466,402	1,474,986
Total debt	**1,433,965**	1,466,402	1,492,886
Less current maturities	**(18,250)**	(34,116)	(18,250)
Less deferred loan costs (1)	**(2,915)**	(3,744)	(4,528)
Total long-term debt	**$1,412,800**	$1,428,542	$1,470,108

(1) These costs are related to the 2015 Term Loan Facility.

2015 Term Loan Facility. On July 2, 2015, Academy, Ltd. entered into a seven-year $1.8 billion senior secured term loan facility, or the 2015 Term Loan Facility. The 2015 Term Loan Facility bears interest, at our election, at either (1) LIBOR rate with a floor of 1.00%, plus a margin of 4.00%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Morgan Stanley Senior Funding, Inc.'s "prime rate," or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 3.00%. Quarterly principal payments of approximately $4.6 million are required through June 30, 2022, with the balance due in full on the maturity date of July 2, 2022. As of August 1, 2020, the weighted average interest rate was 5.00%, with interest payable monthly. The terms and conditions of the 2015 Term Loan Facility also require that we prepay outstanding loans under the 2015 Term Loan Facility under certain circumstances. As of August 1, 2020, no prepayments of outstanding loans have been triggered under the terms and conditions of the 2015 Term Loan Facility.

During the thirteen and twenty-six weeks ended August 1, 2020 and August 3, 2019, we repurchased a portion of our principal on the 2015 Term Loan Facility, which was trading at a discount, in open market transactions. The following table provides further detail regarding these repurchases (amounts in millions):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Gross principal repurchased	**$ 23.9**	$ 4.2	**$ 23.9**	$ 147.7
Reacquisition price of debt	**$ 16.0**	$ 3.1	**$ 16.0**	$ 104.6
Net gain recognized	**$ 7.8**	$ 1.1	**$ 7.8**	$ 42.3

Amended ABL Facility. On July 2, 2015, Academy, Ltd. entered into a five-year $650 million secured asset-based revolving credit facility, or the 2015 ABL Facility. On May 22, 2018, the Company amended the agreement governing the 2015 ABL Facility, or as amended, the Amended ABL Facility, to increase the commitment on the facility from $650 million to $1 billion. The operative terms, conditions, covenants and pricing of the Amended ABL Facility remain the same in all material respects to the 2015 ABL Facility and/or have been sized in approximate proportion to the relative increase in the facility where such operative terms are based upon the commitment level on the facility. The Amended ABL Facility matures on May 22, 2023, subject to a springing maturity clause which is triggered 91 days before the July 2, 2022 maturity of the 2015 Term Loan Facility should it not be paid off or extended at least 91 days beyond the May 22, 2023 maturity date of the Amended ABL Facility. Academy, Ltd. has the option to increase the commitments

under the Amended ABL Facility by $250 million, subject to the satisfaction of certain conditions under the agreement.

The Amended ABL Facility is used to provide financing for working capital and other general corporate purposes, as well as to support certain letters of credit requirements, and availability is subject to customary borrowing base and availability provisions. During the normal course of business, we periodically utilize letters of credit primarily for the purchase of import goods and in support of insurance contracts. As of August 1, 2020, we had outstanding letters of credit of approximately $29.7 million, of which $19.9 million were issued under the Amended ABL Facility, and we had no borrowings outstanding under the Amended ABL Facility, leaving the available borrowing capacity under the Amended ABL Facility of $694.1 million.

Borrowings under the Amended ABL Facility bear interest, at our election, at either (1) LIBOR plus a margin of 1.25% to 1.75%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) JPMorgan Chase Bank, N.A.'s "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 0.25% to 0.75%. The Amended ABL Facility also provides a fee applicable to the unused commitments of 0.25%. The terms and conditions of the Amended ABL Facility also require that we prepay outstanding loans under the Amended ABL Facility under certain circumstances. As of August 1, 2020, no future prepayments of outstanding loans have been triggered under the terms and conditions of the Amended ABL Facility.

Covenants. The Amended ABL Facility and the 2015 Term Loan Facility agreements contain covenants, including, among other things, covenants that restrict Academy, Ltd.'s ability to incur certain additional indebtedness, create or permit liens on assets, engage in mergers or consolidations, pay dividends, make other restricted payments, make loans or advances, engage in transactions with affiliates or amend material documents. Additionally, at certain times, the Amended ABL Facility is subject to a certain minimum adjusted fixed charge coverage ratio. These covenants are subject to certain qualifications and limitations. We were in compliance with these covenants as of August 1, 2020.

Capitalized Interest. We capitalized interest primarily related to construction of new stores and store renovations in the amount of $0.2 million and $0.3 million for the thirteen and twenty-six weeks ended August 1, 2020, respectively, and $0.1 million and $0.3 million for the thirteen and twenty-six weeks ended August 3, 2019, respectively.

5. Derivative Financial Instruments

We use interest rate swap agreements to hedge market risk relating to possible adverse changes in interest rates. A summary of our interest rate swaps is as follows (dollar amounts in thousands):

Notional Amount	Fixed Rate	Effective Date	Termination Date
$320,000 (1)	2.21%	September 7, 2016	September 3, 2021
$250,000	1.54%	November 1, 2016	November 1, 2021
$400,000	2.54%	March 1, 2018	March 1, 2021

(1) The initial $600,000 notional amount of the swap amortizes to $525,000, $430,000, $320,000 and $250,000 on September 3, 2017, 2018, 2019 and 2020, respectively.

The fair value of these interest rate swaps is as follows (amounts in thousands) as of:

	August 1, 2020	February 1, 2020	August 3, 2019
Assets			
Amounts included in other current assets	**$ —**	$ —	$ 735
Amounts included in other noncurrent assets	**—**	—	164
Liabilities			
Amounts included in accrued expenses and other current liabilities	**7,485**	6,130	3,864
Amounts included in other long-term liabilities	**894**	1,976	3,359
Total swap net assets (liabilities)	**$ (8,379)**	$ (8,106)	$ (6,324)

Amounts included in accumulated other comprehensive loss, or AOCI, are reclassified to interest expense in the same period during which the hedged transaction affects earnings, which is as interest expense is recorded on the underlying 2015 Term Loan Facility. As of August 1, 2020, we estimate that approximately $7.9 million of the balance in AOCI will be reclassified as an increase in interest expense during the next 12 months.

The impact of gains and losses related to interest rate swaps that are deferred into AOCI and subsequently reclassified into interest expense is as follows (amounts in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Loss deferred into AOCI	**$ (606)**	$ (9,632)	**$ (5,040)**	$ (13,142)
Increase (decrease) to interest expense	**$ 2,874**	$ (708)	**$ 4,767**	$ (1,590)

6. Fair Value Measurements

Fair value is defined as an exit price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Authoritative guidance establishes a three-level hierarchy for disclosure that is based on the extent and level of judgment used to estimate the fair value of the assets and liabilities.

The fair value measurements are classified as either:

- Level 1 which represents valuations based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 which represents valuations based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 which represents valuations based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy in which the fair value measurement is classified in its entirety, is based on the lowest level input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. There were no transfers made into or out of the Level 1, 2 or 3 categories during any period presented.

The following table provides the fair value hierarchy for our derivative financial instruments (amounts in thousands) as of:

	Fair Value Hierarchy	August 1, 2020	February 1, 2020	August 3, 2019
Assets				
Interest rate swap	Level 2	**$ —**	$ —	$ 899
Liabilities				
Interest rate swap	Level 2	**$ 8,379**	$ 8,106	$ 7,223

We value our derivative financial instruments using a discounted cash flow analysis based on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market based inputs including interest rates and implied volatilities. Our valuations also consider both our own and the respective counterparty's non-performance risk. We have considered unobservable market factors such as the likelihood of default by us and our counterparty, our net exposures, credit enhancements, and remaining maturities in determining a credit valuation adjustment to include as part of the fair value of our derivative financial instruments. To date, the credit valuation adjustment did not comprise a material portion of the fair value of the derivative financial instruments. Therefore, we consider our derivative financial instruments to fall within Level 2 of the fair value hierarchy.

Other Financial Instruments

Periodically we make cash investments in money market funds comprised of U.S. Government treasury bills and securities, which are classified as cash and redeemable on demand. As of August 1, 2020 and February 1, 2020, we held $781.1 million and $113.3 million in money market funds, respectively. We held no investments in money market funds as of August 3, 2019.

The fair value of the 2015 Term Loan Facility is estimated using a discounted cash flow analysis based on quoted market prices for the instrument in an inactive market and is therefore classified as Level 2 within the fair value hierarchy. As of August 1, 2020, February 1, 2020 and August 3, 2019, the estimated fair value of our 2015 Term Loan Facility was $1.3 billion, $1.2 billion and $1.0 billion, respectively. As borrowings on the Amended ABL Facility are generally repaid in less than 12 months, we believe that fair value approximates the carrying value.

7. Property and Equipment

Property and equipment consists of the following (amounts in thousands) as of:

	August 1, 2020	February 1, 2020	August 3, 2019
Leasehold improvements	**$ 434,087**	$ 436,807	$ 426,190
Equipment and software	**541,366**	537,364	521,742
Furniture and fixtures	**316,366**	316,420	308,731
Construction in progress	**22,076**	17,639	22,315
Land	**3,698**	3,698	3,698
Total property and equipment	**1,317,593**	1,311,928	1,282,676
Accumulated depreciation and amortization	**(921,034)**	(870,521)	(818,353)
Property and equipment, net	**$ 396,559**	$ 441,407	$ 464,323

Depreciation expense was $26.7 million and $54.2 million in the thirteen and twenty-six weeks ended August 1, 2020, respectively, and $29.3 million and $59.1 million in the thirteen and twenty-six weeks ended August 3, 2019, respectively.

8. Leases

In April 2020, the Financial Accounting Standards Board issued *Staff Q&A - Topic 842 and Topic 840: Accounting For Lease Concessions Related to the Effects of the COVID-19 Pandemic*. This guidance provides entities with the option to elect to account for certain lease concessions as though the enforceable rights and obligations had existed in the original lease. As a result, an entity will not need to reassess each existing contract to determine whether enforceable rights and obligations for concessions exist and an entity can elect to apply or not to apply the lease modification guidance in Accounting Standards Codification Topic 842, *Leases*, to those contracts.

During the thirteen weeks ended August 1, 2020, the Company received $2.0 million in lease expense credit related to landlord abated rent as a result of the elections made under this guidance. Additionally, during the thirteen weeks ended August 1, 2020, the Company signed 40 lease extensions, requiring lease modification accounting treatment.

The components of lease expense and sublease income included in selling, general and administrative (“SG&A”) expenses on our statement of income is as follows (amounts in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Operating lease expense	**$ 49,259**	$ 48,570	**$ 98,256**	$ 96,880
Short-term lease expense	**—**	—	**—**	—
Variable lease expense	**(94)**	1,805	**1,818**	3,849
Sublease income	**(157)**	(396)	**(526)**	(802)
Net lease expense	**$ 49,008**	$ 49,979	**$ 99,548**	$ 99,927

Information about our operating leases is as follows (dollar amounts in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Right-of-use assets obtained in exchange for new operating lease liabilities	**$ 68,788**	$ 10,090	**$ 71,118**	$ 22,409
Cash paid for amounts included in the measurement of lease liabilities	**$ 45,950**	$ 47,779	**$ 82,182**	$ 95,565

	August 1, 2020	August 3, 2019
Weighted-average remaining lease term in years	11.3	11.5
Weighted-average incremental borrowing rate	9.12%	8.92%

As most of our leases do not provide an implicit rate of interest, we use our incremental borrowing rate, which is based on the market lending rates for companies with comparable credit ratings, to determine the present value of lease payments on lease commencement or remeasurement.

The remaining maturities of lease liabilities by fiscal year are as follows (amounts in thousands):

	August 1, 2020
2020	$ 102,586
2021	196,617
2022	193,774
2023	186,207
2024	177,773
2025	171,030
After 2025	1,046,324
Total payments (1)	2,074,311
Less: Interest	(816,007)
Present value of lease liabilities	$ 1,258,304

(1) Minimum lease payments have not been reduced by sublease rentals of $2.0 million as of August 1, 2020 due in the future under non-cancelable subleases.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (amounts in thousands) as of:

	August 1, 2020	February 1, 2020	August 3, 2019
Accrued interest	**$ 7,469**	$ 7,835	$ 3,645
Accrued personnel costs	**62,300**	54,065	46,208
Accrued sales and use tax	**21,078**	12,651	15,027
Accrued self-insurance	**13,554**	14,107	14,192
Deferred revenue - gift cards and other	**57,621**	70,220	52,417
Interest rate swaps	**7,485**	6,129	3,864
Property taxes	**39,289**	16,919	38,505
Sales return allowance	**6,500**	5,500	6,100
Other	**29,776**	23,955	36,882
Accrued expenses and other current liabilities	**$ 245,072**	$ 211,381	$ 216,840

10. Equity and Unit-Based Compensation

The Company has 228,306,033 Membership Units authorized, issued and outstanding as of August 1, 2020.

The New Academy Holding Company LLC 2011 Unit Incentive Plan, or the 2011 Unit Incentive Plan, provides for the grant of certain equity incentive awards, or each, an Award, such as options to purchase Holdco Membership Units, or each, a Unit Option, and restricted units that may settle in Holdco Membership Units, or each, a Restricted Unit, to our directors, executives, and eligible employees of the Company.

Unit Options granted under the 2011 Unit Incentive Plan consist of Unit Options that vest upon the satisfaction of time-based requirements, or each, a Service Option, and Unit Options that vest upon the satisfaction of both time-based requirements and Company performance-based requirements, or each, a Performance Option.

Restricted Units granted under the 2011 Unit Incentive Plan consist of Restricted Units that vest upon the satisfaction of time-based requirements, or each, a Service Restricted Unit, and Restricted Units that vest upon the satisfaction of liquidity event-based requirements and a time-based requirement and/or performance-based requirement, or each, a Liquidity Event Restricted Unit. In each case, vesting of the Company's outstanding and unvested Unit Options and Restricted Units is contingent upon the holder's continued service through the date of each applicable vesting event.

As of August 1, 2020, the number of Holdco Membership Units authorized for the grant of Awards under the 2011 Unit Incentive Plan is 36,933,859 Membership Units. As of August 1, 2020, there are 1,577,837 Holdco Membership Units that are authorized and available for the grant of Awards under the 2011 Unit Incentive Plan.

Equity compensation expense was $1.6 million and $3.7 million in the thirteen and twenty-six weeks ended August 1, 2020, respectively, and $2.5 million and $4.5 million in the thirteen and twenty-six weeks ended August 3, 2019, respectively, and is included in selling, general and administrative expenses in the statements of income.

Unit Option Fair Value Assumptions

The fair value for Service Options and Performance Options granted was estimated using a Black-Scholes option-pricing model. The expected lives of the Service Options and Performance Options granted were based on the "SEC simplified" method and a mid-point assumption, respectively. Expected price volatility was determined based on the implied volatilities of comparable companies over a historical period that matches the expected life of the Unit Options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The assumptions used to calculate the fair value of Unit Options granted are evaluated and modified, as necessary, to reflect current market conditions and experience.

The following table presents the assumptions and grant date fair values for Service Options and Performance Options granted in the twenty-six weeks ended August 1, 2020:

Expected life in years	6.2
Expected volatility	53%
Weighted-average volatility	53%
Risk-free interest rate	0.74% to 0.76%
Dividend yield	—

The following table presents the Unit grants during the twenty-six weeks ended August 1, 2020:

	Service Options	Service Restricted Units	Liquidity Event Restricted Units
Number of shares	4,024,172	36,430	992,943
Weighted average grant date fair value per unit / option	$ 2.76	$ 5.49	$ 5.49
Weighted average exercise price per unit / option	$ 5.49	N/A	N/A

The following table presents the unrecognized compensation cost as of August 1, 2020:

	Service Options	Performance Options	Service Restricted Units
Remaining expense	$20,216,870	$ 1,118,024	$ 118,357
Weighted average life per unit / option remaining in years	2.8	2.5	0.7

11. Earnings per Unit

Basic earnings per unit is calculated based on net income divided by the basic weighted average units outstanding during the period, and diluted earnings per unit is calculated based on net income divided by the diluted weighted average units outstanding. Diluted weighted average units outstanding is based on the basic weighted average units outstanding plus any potential dilutive effect of stock-based awards outstanding during the period using the treasury stock method, which assumes the potential proceeds received from the dilutive Unit Options are used to purchase treasury stock. Anti-dilutive stock-based awards do not include awards which have a performance or liquidity event target which has yet to be achieved.

Basic and diluted weighted average units outstanding and basic and diluted earnings per unit are calculated as follows (dollar amounts in thousands except per unit amounts):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Net income	**$ 167,676**	$ 48,347	**$ 157,656**	$ 73,753
Weighted average units outstanding – basic	**228,306,033**	228,326,985	**228,300,128**	228,308,074
Dilutive effect of Restricted Units	**10,330**	10,796	**24,661**	27,757
Dilutive effect of Service Options	**1,799,056**	2,102,338	**1,931,879**	2,569,269
Dilutive effect of Performance Options	**4,370,032**	4,259,941	**4,378,883**	4,606,110
Weighted average units outstanding – diluted	**234,485,451**	234,700,060	**234,635,551**	235,511,210
Earnings per unit – basic	**$ 0.73**	$ 0.21	**$ 0.69**	$ 0.32
Earnings per unit – diluted	**$ 0.72**	$ 0.21	**$ 0.67**	$ 0.31
Anti-dilutive stock-based awards excluded from diluted calculation	**5,206,420**	11,242,896	**1,342,207**	1,823,969

12. Related Party Transactions

Monitoring Agreement

On August 3, 2011, or the Effective Date, we entered into a monitoring agreement, or the Monitoring Agreement, with Kohlberg Kravis Roberts & Co. L.P., or the Adviser, pursuant to which the Adviser provides advisory, consulting and financial services to us. In accordance with the terms of the Monitoring Agreement, we pay an aggregate annual advisory fee which increases by 5.0% annually on each anniversary of the Effective Date. The Adviser may also charge us a customary fee for services rendered in connection with securing, structuring and negotiating equity and debt financings by us. Additionally, we are required to reimburse the Adviser for any out-of-pocket expenses in connection with these services. The Monitoring Agreement continues in effect from year-to-year, unless amended or terminated by the Adviser and us. We recognized advisory fees related to the Monitoring Agreement, including reimbursement of expenses, of approximately $0.9 million and $1.8 million in each of the thirteen and twenty-six weeks ended August 1, 2020, respectively, and $0.9 million and $1.8 million in each of the thirteen and twenty-six weeks ended August 3, 2019, respectively. These expenses are included in selling, general and administrative expenses in the statements of income.

In the event the Monitoring Agreement is terminated in connection with certain financing, acquisition, disposition and change of control transactions, an initial public offering or under certain other circumstances, the Adviser is entitled to all unpaid monitoring fees and expenses plus the net present value of the advisory fees that would have been paid from the termination date through the twelfth anniversary of the Effective Date of the Monitoring Agreement, or if terminated after such anniversary, through the first anniversary of the Effective Date occurring after the termination date. Pursuant to a separate agreement, the Adviser would be expected to share a portion of any such termination fee with certain investors who are family descendants of our founder, Max Gochman, or Gochman Investors.

Other Related Party Transactions

KKR has ownership interests in a broad range of portfolio companies and we may enter into commercial transactions for goods or services in the ordinary course of business with these companies. We do not believe such transactions are material to our business.

Equity Purchases

There were no equity purchases for the thirteen and twenty-six weeks ended August 1, 2020 and August 3, 2019.

During the twenty-six weeks ended August 1, 2020, Managers repurchased at fair market value approximately $37.0 thousand of Redeemable Membership Units from a director of the Company for cash. Holdco concurrently repurchased from Managers for cash, at fair market value, a number of Holdco membership units equal to the number of Redeemable Membership Units repurchased from the director.

Note Receivable from Member

Under Holdco's LLC agreement, certain members may require the Company to provide a tax loan on their behalf under certain circumstances. On April 10, 2019, the Company loaned $4.0 million with a note receivable issued to a member. The note receivable bears semi-annual compounding interest at 2.5% per annum with outstanding principal and interest due on April 10, 2022. This note receivable has been recorded in other non-current assets on the balance sheet.

On April 5, 2018, the Company loaned $4.1 million with a note receivable issued to a member. The note receivable bears semi-annual compounding interest at 2.1%, with outstanding principal and interest due April 5, 2021. This note receivable has been recorded in prepaid expenses and other current assets on the balance sheet.

13. Commitments and Contingencies

Technology Related Commitments and Other

As of August 1, 2020, we have obligations under technology related contractual commitments as well as other commitments, such as construction commitments, in the amount of $19.2 million. Of such commitments, approximately $16.1 million is payable in the next 12 months.

Commitments Related to Monitoring Agreements

As of August 1, 2020, we have obligations under the Monitoring Agreement (see Note 12), in the amount of $14.4 million, of which $6.1 million is payable in the next 12 months.

Financial Guarantees

During the normal course of business, we enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against us that have not yet occurred. However, based on experience, we believe the risk of loss to be remote.

Legal Proceedings

We are a defendant or co-defendant in lawsuits, claims and demands brought by various parties relating to matters normally incident to our business. No individual case, or group of cases presenting substantially similar issues of law or fact, is expected to have a material effect on the manner in which we conduct our business or on our results of operations, financial position or liquidity. The majority of these cases are alleging product, premises, employment and/or commercial liability. Reserves have been established that we believe to be adequate based on our current evaluations and experience in these types of claim situations; however, the ultimate outcome of these cases cannot be determined at this time. We believe, taking into consideration our indemnities, insurance and reserves, the ultimate resolution of these matters will not have a material impact on our financial position, results of operations or cash flows.

Sponsorship Agreement and Intellectual Property Commitments

We periodically enter into sponsorship agreements generally with professional sports teams, associations, events, networks, or individual professional players and collegiate athletic programs in exchange for marketing and advertising promotions. We also enter into intellectual property agreements whereby the Company receives the right to use third-party owned trademarks typically in exchange for royalties on sales. These agreements typically contain a one to three-year term and contractual payment amounts required to be paid by the Company. As of August 1, 2020, we have $9.6 million in related commitments through 2027, of which $5.8 million is payable in the next 12 months.

14. Subsequent Events

Our management evaluated events or transactions that occurred after August 1, 2020, through September 1, 2020, the issuance date of the financial statements, and identified the following matters to report:

On August 28, 2020, Holdco paid a $257.0 million Distribution to its unitholders of record as of August 25, 2020, of which $218.3 million was paid to Allstar LLC, an entity owned by KKR, $24.9 million was paid to the Gochman Investors and the remaining $4.8 million was paid to other unitholders. Such Distribution was funded through a combination of cash on hand and an offset of outstanding loans receivable from certain unitholders as well as state income tax withholdings made on behalf of our

unitholders. Holders of outstanding Company granted equity awards are entitled to receive an adjustment equal to $1.1257 per award, which was made in the form of cash payments, additional Restricted Unit grants and/or exercise price adjustments on Unit Options. The Company made approximately $18.8 million in cash payments to holders of vested outstanding Company granted equity awards in the last week of August 2020 and the first week of September 2020. The payment for the unvested outstanding Company granted equity awards is $15.2 million which will be paid out over time if and when the related awards vest.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners and the Board of Managers of New Academy Holding Company, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of New Academy Holding Company, LLC and subsidiaries (the "Company") as of February 1, 2020 and February 2, 2019, the related consolidated statements of income (loss), comprehensive income (loss), partners' equity, and cash flows, for each of the three years in the period ended February 1, 2020, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 1, 2020 and February 2, 2019, and the results of its operations and its cash flows for each of the three years in the period ended February 1, 2020, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 2 and 14 to the financial statements, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
July 10, 2020

We have served as the Company's auditor since 1996.

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands)

	February 1, 2020	February 2, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	**$ 149,385**	$ 75,691
Accounts receivable - less allowance for doubtful accounts of $3,275 and $3,008, respectively	**13,999**	15,725
Merchandise inventories, net	**1,099,749**	1,134,156
Prepaid expenses and other current assets	**24,548**	39,937
Assets held for sale	**1,763**	1,763
Total current assets	**1,289,444**	1,267,272
PROPERTY AND EQUIPMENT, NET	**441,407**	496,153
RIGHT-OF-USE ASSETS	**1,145,705**	—
TRADE NAME AND OTHER INTANGIBLE ASSETS, NET	**577,000**	592,067
GOODWILL	**861,920**	861,920
OTHER NONCURRENT ASSETS	**15,845**	21,545
Total assets	**$ 4,331,321**	$ 3,238,957
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	**$ 428,823**	$ 432,037
Accrued expenses and other current liabilities	**211,381**	184,141
Current lease liabilities	**76,329**	—
Current maturities of long-term debt	**34,116**	68,305
Total current liabilities	**750,649**	684,483
LONG-TERM DEBT, net of current maturities	**1,428,542**	1,556,755
LONG-TERM LEASE LIABILITIES	**1,141,896**	—
OTHER LONG-TERM LIABILITIES	**19,197**	122,795
Total liabilities	**3,340,284**	2,364,033
COMMITMENTS AND CONTINGENCIES (NOTE 15)		
REDEEMABLE MEMBERSHIP UNITS	**2,818**	17,885
PARTNERS' EQUITY:		
Partners' equity, membership units authorized, issued and outstanding 228,274,749 and 228,289,163, respectively	**996,285**	848,591
Accumulated other comprehensive income (loss)	**(8,066)**	8,448
Partners' equity	**988,219**	857,039
Total liabilities and partners' equity	**$ 4,331,321**	$ 3,238,957

The accompanying notes are an integral part of these consolidated financial statements.

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF INCOME
(Dollar amounts in thousands, except earnings per unit)

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
Net sales	**$ 4,829,897**	$ 4,783,893	$ 4,835,582
Cost of goods sold	**3,398,743**	3,415,941	3,436,618
Gross margin	**1,431,154**	1,367,952	1,398,964
Selling, general and administrative expenses	**1,251,733**	1,239,002	1,241,643
Operating income	**179,421**	128,950	157,321
Interest expense, net	**101,307**	108,652	104,857
Gain on early retirement of debt, net	**(42,265)**	—	(6,294)
Other (income), net	**(2,481)**	(3,095)	(2,524)
Income before income taxes	**122,860**	23,393	61,282
Income tax expense	**2,817**	1,951	2,781
Net income	**$ 120,043**	$ 21,442	$ 58,501
Earnings per unit			
Basic	**$ 0.53**	$ 0.09	$ 0.26
Diluted	**$ 0.51**	$ 0.09	$ 0.25
Weighted average units outstanding			
Basic	**228,303,750**	228,160,508	227,942,148
Diluted	**235,609,118**	236,873,973	236,804,721
Unaudited Pro Forma Financial Information (Note 2)			
Income before income taxes	**122,860**		
Pro forma income tax expense	**32,918**		
Pro forma net income	**$ 89,942**		
Pro forma earnings per share			
Basic	**$**		
Diluted	**$**		
Pro forma weighted average shares outstanding			
Basic			
Diluted			

The accompanying notes are an integral part of these consolidated financial statements.

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
COMPREHENSIVE INCOME:			
Net income	**$ 120,043**	$ 21,442	$ 58,501
Unrealized gain (loss) on interest rate swaps	**(16,096)**	(2,625)	5,876
Recognized interest expense (income) on interest rate swaps	**(418)**	1,106	7,497
Total comprehensive income	**$ 103,529**	$ 19,923	$ 71,874

The accompanying notes are an integral part of these consolidated financial statements.

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(Dollar amounts in thousands)

	Redeemable Membership Units		Partners' Equity				Total Membership Units
			Partners' Equity		Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity	
	Units	Amount	Units	Amount	Amount	Amount	Units
Balances as of January 28, 2017	**3,813,842**	**$ 15,231**	**224,000,107**	**$759,668**	**$ (3,406)**	**$756,262**	**227,813,949**
Net income	—	—	—	58,501	—	58,501	—
Equity compensation	—	—	—	4,580	—	4,580	—
Equity contributions from Managers	200,648	—	—	1,150	—	1,150	200,648
Adjustment to Redeemable Units for contributions from Managers and settlement of vested Restricted Units	8,238	1,200	—	(1,200)	—	(1,200)	8,238
Option Payment adjustment due to forfeitures	—	—	—	21	—	21	—
Unrealized gain on interest rate swaps	—	—	—	—	5,876	5,876	—
Recognized interest expense on interest rate swaps	—	—	—	—	7,497	7,497	—
Balances as of February 3, 2018	**4,022,728**	**$ 16,431**	**224,000,107**	**$822,720**	**$ 9,967**	**$832,687**	**228,022,835**
Net income	—	—	—	21,442	—	21,442	—
Equity compensation	—	—	—	4,633	—	4,633	—
Equity contributions from Managers	231,624	—	—	1,250	—	1,250	231,624
Adjustment to Redeemable Units for contributions from Managers and settlement of vested Restricted Units	34,704	1,454	—	(1,454)	—	(1,454)	34,704
Unrealized loss on interest rate swaps	—	—	—	—	(2,625)	(2,625)	—
Recognized interest expense on interest rate swaps	—	—	—	—	1,106	1,106	—
Balances as of February 2, 2019	**4,289,056**	**$ 17,885**	**224,000,107**	**$848,591**	**$ 8,448**	**$857,039**	**228,289,163**
Net income	—	—	—	120,043	—	120,043	—
Equity compensation	—	—	—	7,881	—	7,881	—
Equity contributions from Managers	19,231	—	—	100	—	100	19,231
Adjustment to Redeemable Units for contributions from Managers and settlement of vested Restricted Units	57,363	400	—	(400)	—	(400)	57,363
Adjustment to Redeemable Membership Units for repurchase of units from Managers	(91,008)	(538)	91,008	538	—	538	—
Repurchase of Redeemable Membership Units	—	—	(91,008)	(473)	—	(473)	(91,008)
Reclassification of membership units with lapsed put rights (Note 2)	(3,763,118)	(14,929)	3,763,118	14,930	—	14,930	—
Cumulative-effect adjustment related to the adoption of the New Lease Standard	—	—	—	5,075	—	5,075	—
Unrealized loss on interest rate swaps	—	—	—	—	(16,096)	(16,096)	—
Recognized interest income on interest rate swaps	—	—	—	—	(418)	(418)	—
Balances as of February 1, 2020	**511,524**	**$ 2,818**	**227,763,225**	**$996,285**	**$ (8,066)**	**$988,219**	**228,274,749**

The accompanying notes are an integral part of these consolidated financial statements.

NEW ACADEMY HOLDING COMPANY, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 120,043**	$ 21,442	$ 58,501
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**117,254**	132,782	133,203
Non-cash lease expense	**3,965**	—	—
Equity compensation	**7,881**	4,633	4,580
Amortization of deferred loan and other costs	**3,717**	4,163	4,577
Deferred income taxes	**297**	(494)	147
Non-cash gain on early retirement of debt, net	**(42,265)**	—	(6,294)
Gain on disposal of property and equipment	**(23)**	(801)	(559)
Casualty loss	**569**	46	159
Impairment of long-lived assets	**—**	1,408	2,477
Changes in assets and liabilities:			
Accounts receivable, net	**4,476**	2,582	2,934
Merchandise inventories, net	**34,407**	89,284	(132,687)
Prepaid expenses and other current assets	**(3,732)**	2,187	(3,756)
Other noncurrent assets	**398**	274	1,590
Accounts payable	**(2,904)**	(70,029)	6,976
Accrued expenses and other current liabilities	**20,615**	(2,703)	990
Deferred rent/tenant improvement allowances	**—**	2,833	2,297
Other long-term liabilities	**(1,029)**	10,874	8,220
Net cash provided by operating activities	**263,669**	198,481	83,355
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	**(62,818)**	(107,905)	(132,126)
Proceeds from insurance claims	**—**	2,593	233
Proceeds from the sale of property and equipment	**23**	10,429	15,992
Note receivable from member	**(3,988)**	(4,144)	—
Net cash used in investing activities	**(66,783)**	(99,027)	(115,901)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	**502,500**	526,812	851,400
Repayment of revolving credit facility	**(502,500)**	(561,812)	(816,400)
Repayment of term loan facility and capital lease obligations	**(122,819)**	(18,250)	(37,989)
Debt issuance fees	**—**	(2,808)	—
Construction allowance receipts	**—**	—	10,353
Equity contributions from Managers	**100**	1,250	1,150
Repurchase of Redeemable Membership Units	**(473)**	—	—
Net cash provided by (used in) financing activities	**(123,192)**	(54,808)	8,514
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**73,694**	44,646	(24,032)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**75,691**	31,045	55,077
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 149,385**	$ 75,691	$ 31,045
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	**$ 93,556**	$ 108,208	$ 105,661
Cash paid for state and local income taxes	**$ 2,588**	$ 2,449	$ 2,848
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
De-recognition of construction assets and liabilities, net	**$ —**	$ —	$ (6,600)
Change in capital expenditures in accounts payable and accrued liabilities	**$ 309**	$ 128	$ 7,412

The accompanying notes are an integral part of these consolidated financial statements.

NEW ACADEMY HOLDING COMPANY, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations

The Company

New Academy Holding Company, LLC, a Delaware limited liability company, or Holdco and, together with its direct and indirect subsidiaries, the Company, we, us or our, is a holding company that conducts its operations through its subsidiaries, including its indirect subsidiary Academy, Ltd., a Texas limited partnership doing business as "Academy Sports + Outdoors", or Academy, Ltd. On August 3, 2011, an investment entity owned by investment funds and other entities affiliated with Kohlberg Kravis Roberts & Co. L.P., or collectively, KKR, acquired a majority interest in the Company.

The Company is one of the leading full-line sporting goods and outdoor recreational products retailers in the United States in terms of net sales. As of February 1, 2020, we operated 259 "Academy Sports + Outdoors" retail locations in 16 states and three distribution centers located in Katy, Texas, Twiggs County, Georgia and Cookeville, Tennessee. Our distribution centers receive, store and ship merchandise to our stores and customers. We also sell merchandise to customers across most of the United States via our *academy.com* website.

Fiscal Year

The Company's fiscal year represents the 52 or 53 weeks ending on the Saturday closest to January 31 each year. References herein to 2019 and 2018 relate to the 52-week fiscal years ended February 1, 2020 and February 2, 2019, respectively, and references herein to 2017 relate to the 53-week fiscal year ended February 3, 2018.

2. Summary of Significant Accounting Policies

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Our management bases its estimates on historical experience and other assumptions it believes to be reasonable under the circumstances. Actual results could differ significantly from those estimates.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of Holdco, its wholly owned subsidiary New Academy Finance Company LLC, or Finco, and the accounts of Finco's wholly owned subsidiaries Academy Managing Co., LLC, Associated Investors, LLC and New Academy Finance Corporation. Academy Managing Co., LLC and Associated Investors, LLC are holding companies and are the sole general partner and sole limited partner, respectively, of Academy, Ltd., the Company's operating company. All intercompany balances and transactions have been eliminated in consolidation.

Unaudited Pro Forma Financial Information

In connection with the proposed initial public offering, or the IPO, of Academy Sports and Outdoors, Inc., a Delaware corporation, or an IPO issuer, we will undertake a series of reorganization transactions, or the Reorganization Transactions, that will result in, among other things, Holdco being contributed by its unitholders to the IPO issuer and becoming a wholly owned subsidiary of the IPO issuer.

The unaudited pro forma financial information provided on the consolidated statements of income provides the estimated impact to net income and earnings per unit based upon the anticipated conversion of the Company to a C corporation in connection with the IPO. We are currently treated as a flow through entity for U.S. federal income tax purposes, and thus no federal income tax expense has been recorded in our consolidated statements of income. After consummation of the IPO, we will become subject to U.S. federal income taxes and additional state income taxes and be taxed at the prevailing corporate rates. The pro forma tax expense assumed in the unaudited pro forma financial information is estimated to be 24.5% plus certain state taxes we currently include in income tax expense as a flow through entity. Our actual income tax rate, and our actual income tax liability, after the IPO may be different from our assumed rate, and such difference may be material.

On August 28, 2020, Holdco distributed a $257.0 million one-time special distribution (the "Distribution") to existing unitholders of record as of August 25, 2020.

U.S. Securities and Exchange Commission Staff Accounting Bulletin 1.B.3 requires that certain distributions to owners prior to or concurrent with an initial public offering be considered as distributions in contemplation of that offering. The Company is required to present unaudited basic and diluted pro forma net income per share of common stock as a result of the Distribution, which is assumed to have been made in contemplation of the proposed IPO.

Unaudited basic and diluted pro forma net income per share data presented below assumed that (i) shares of common stock of the IPO issuer were issued and outstanding for 2019 in connection with the contribution of Holdco by its unitholders and related Reorganization Transactions and related cancellation of all outstanding partners' equity at Holdco in connection with the IPO and (ii) an additional of the Company's shares of common stock were outstanding for 2019, which represents the number of shares of common stock that the Company would have been required to issue to fund the amount of the Distribution in excess of its net income for 2019. The number of shares of common stock that the Company would have been required to issue to pay the Distribution was calculated by dividing the portion of the total $257.0 million Distribution in excess of the Company's net income for 2019 by an assumed initial public offering price in the IPO of $ per share, representing the midpoint of the price range set forth on the cover page of the prospectus.

The table below sets forth the computation of the Company's unaudited basic and diluted pro forma net income per share for 2019:

PRO FORMA NET INCOME PER SHARE: **(In thousands, except for share and per share data)**	**Basic**	**Diluted**
Pro forma net income	$ 89,942	$ 89,942
Weighted average shares of common stock outstanding after giving effect to the Reorganization Transactions		
Adjustment to weighted average shares of common stock outstanding related to the Distribution		
Pro forma weighted average shares of common stock outstanding		
Pro forma net income per share	$	$

Reclassifications

Certain reclassifications have been made in the 2018 and 2017 consolidated financial statements to conform to the current period presentation. Within the merchandise division sales table presented in Note 3, certain products and categories were recategorized amongst categories and divisions during 2019 to better

align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions for 2018 and 2017 for comparability purposes. This reclassification is in presentation only and did not impact the overall net sales balances previously disclosed.

Redeemable Membership Units

Allstar Managers LLC, a Delaware limited liability company, or Managers, owns membership units in Holdco, or each a Holdco Membership Unit. Managers is 100% owned by certain current and former executives and directors of the Company and was formed to facilitate the purchase of indirect contingently redeemable ownership interests in the Company. Certain executives and directors may acquire contingently redeemable membership units in Managers, or the Redeemable Membership Units, either (1) by purchasing the Redeemable Membership Units with cash consideration, which is subsequently contributed to Holdco by Managers in exchange for a number of Holdco Membership Units equal to the number of Redeemable Membership Units purchased, or (2) by receiving the Redeemable Membership Units in settlement of vested restricted units awarded to the executive or director under the Company's 2011 Unit Incentive Plan (see Note 11). Each outstanding Redeemable Membership Unit in Managers corresponds to an outstanding Holdco Membership Unit, on a unit-for-unit basis. Holdco is the sole managing member of Managers with a controlling voting interest, but no economic interest, in Managers. As the sole managing member of Managers, Holdco operates and controls all business affairs of Managers.

The terms and conditions of the agreements governing the Redeemable Membership Units include provisions by which the holder, or its heirs, has the right to require Managers or the Company to purchase the holder's Redeemable Membership Units upon the holder's termination of employment due to death or disability for cash at fair value. The carrying value of the Redeemable Membership Units is classified as temporary equity, initially at fair value, as redemption is an event that is not solely within our control. If redemption becomes probable, we are required to re-measure the Redeemable Membership Units to fair value. Periodically, this right may lapse due to contractual expiration or a holder's termination of employment for reasons other than death or disability. Due to the lapse of this right for certain issuances, $14.9 million was reclassified from temporary equity to Partners' Equity during the third quarter 2019.

Cash and Cash Equivalents

We consider credit and debit card transactions, which typically settle within three business days, demand deposits with banks, and all other highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents.

Financial Instruments

Financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable, certain accrued liabilities, derivatives and debt. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of those instruments. We enter into interest rate swaps to reduce the risk that our earnings and cash flows will be affected by changes in interest rates on our debt, and we do not hold any derivative financial instruments for trading or speculative purposes (see Note 4 and Note 5). The fair value of debt is influenced by fluctuations in market conditions for interest rates (see Note 6).

Accounts Receivable

Accounts receivable consists primarily of amounts due from vendors for vendor allowances and other accounts receivable. We provide an allowance for doubtful accounts based on both historical experience and a specific identification basis.

Concentration of Risk

Financial instruments which subject us to potential credit risk consist of cash and cash equivalents and derivative financial instruments. We have established guidelines to limit our exposure to credit risk on cash

and cash equivalents by placing investments with high credit quality financial institutions. Deposits with these financial institutions may exceed the amount of insurance provided; however, these deposits typically are redeemable upon demand. We use high credit quality counterparties to transact our derivative transactions. Therefore, we believe that the financial risks associated with these financial instruments are minimal.

We purchase merchandise inventories from approximately 1,300 vendors. In 2019, 2018 and 2017, purchases from our largest vendor represented approximately 14%, 13% and 14% of our total inventory purchases, respectively. No other vendor in any of the aforementioned years exceeded 10% of our purchases. We typically do not enter into long-term inventory purchase commitments and there were none as of February 1, 2020 or February 2, 2019.

A significant portion of our inventory purchases are manufactured outside of the United States, primarily in Asia. While we are not dependent on any single manufacturer outside of the United States, we could be adversely affected by political, health (including pandemic), safety, security, economic, tariff, climate or other disruptions affecting the business or operations of third-party manufacturers located outside of the United States.

Merchandise Inventories, net

Merchandise inventories are valued at the lower of weighted average cost or net realizable value using the last-in first-out, or LIFO, method. Merchandise inventories include the direct cost of merchandise and capitalized costs related to procurement, warehousing and distribution and are reflected net of shrinkage, vendor allowances and other valuation accounts. We regularly review inventories and record a valuation adjustment when necessary such as for inventory that has a carrying value in excess of the net realizable value or for slow moving or obsolete inventory. As of February 1, 2020 and February 2, 2019, merchandise inventories valued at LIFO, including necessary valuation adjustments, approximated the cost of such inventories using the weighted average inventory method. The application of the LIFO inventory method did not result in any LIFO charges or credits affecting cost of sales in 2019, 2018 or 2017.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and amortization. Cost includes interest capitalized on borrowings used to finance the construction of stores and other significant capital projects while under construction. Depreciation and amortization is computed using the straight-line method over the asset's useful life, which is generally determined by asset category as follows:

Leasehold improvements	Lesser of asset useful life or lease term
Software and computer equipment	2–5 years
Other equipment	5–10 years
Furniture and fixtures	7–10 years

When assets are retired or sold, the cost and accumulated depreciation are removed from our accounts, and the resulting gain or loss is reflected in the consolidated statements of income. Repair and maintenance costs are charged to expense as incurred and significant improvements that substantially enhance the useful life of an asset are capitalized and amortized.

In the normal course of business, we acquire land and construct new stores to be sold to and leased from third party landlords. New stores completed but not yet sold to and leased from third parties are classified as assets held for sale and are expected to be sold within one year. Our intent is to sell the stores for approximately the total land and construction costs incurred (which approximate the fair market value of the property, net of selling costs) and simultaneously enter into operating leases.

Capitalized Computer Software Costs

We capitalize certain costs incurred in connection with developing or obtaining computer software for internal use. Capitalized computer software costs are included in property and equipment on the consolidated balance sheets and amortized on a straight-line basis when placed into service over the estimated useful lives of the software. The amounts capitalized were $12.9 million, $13.8 million and $21.0 million in 2019, 2018 and 2017, respectively.

Capitalized Interest

We capitalized interest primarily related to construction of new stores, store renovations, distribution centers and IT projects in the amount of $0.6 million, $1.3 million and $1.4 million in 2019, 2018 and 2017, respectively. Interest expense, net on the consolidated statement of income is shown net of capitalized interest.

Impairment of Long-Lived Assets

We review the carrying value of long-lived assets, including property and equipment and finite-lived intangible assets, for indicators of impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the assets to the estimated undiscounted future cash flows expected to be generated by the use of the assets. If such assets are considered to be impaired, the impairment loss recognized is the amount by which the carrying amount of the assets exceeds its estimated fair value, which is typically calculated using discounted expected future cash flows. As a result of our assessment, we did not record an impairment of long-lived store assets in 2019. In 2018 and 2017, we impaired $1.4 million and $2.5 million, respectively, of long-lived store assets. These charges are included in selling, general and administrative expenses on the consolidated statements of income (see Note 6).

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the amounts assigned to assets acquired and liabilities assumed in a business combination. Goodwill is tested for impairment annually at the last day of our eleventh fiscal month, or more frequently if events or circumstances indicate that the carrying value of goodwill may not be recoverable. We test for goodwill at the reporting unit level, which is the operating segment level. We operate in one segment with one reporting unit.

The annual goodwill impairment test provides for the option of first performing a qualitative assessment to evaluate the existence of events and circumstances that would lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If such a conclusion is reached, we would then be required to perform a quantitative impairment assessment of goodwill. However, if the qualitative assessment leads to a determination that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then no further assessments are required.

Our quantitative assessment for determining the fair value of our reporting unit includes using an estimated discounted cash flow model (income approach) and market value approach. The output of this assessment is an estimated fair value for our reporting unit that is compared to its carrying value to determine whether an impairment charge is necessary. The income approach uses a discounted cash flow analysis of our projected future income, and the market value approach is based on earnings multiples for a comparable set of public companies.

These approaches use key input assumptions such as our projected future operating results, the discount rate, the weighting for each valuation approach and the comparable set of companies. A history of declining

trends in our operating results such as comparable sales, gross margin, net income and cash flow from operations could impact these assumptions and serve as indicators of future impairment. There is significant judgment used in determining these assumptions and variability in the assumptions could cause us to reach a different conclusion on impairment.

In 2019, 2018 and 2017, we performed a quantitative assessment for the determination of impairment. Based on the results of these quantitative assessments, no impairment of goodwill existed for 2019, 2018 or 2017.

Intangible Assets

Intangible assets consist of the trade name of "Academy Sports + Outdoors", or the Trade Name, and our favorable leases. The favorable leases are accounted for as finite-lived assets and are amortized over their estimated useful economic lives. With the adoption of ASU 2016-02, "*Leases (Topic 842)*" and a series of related Accounting Standards Updates that followed, or collectively, the New Lease Standard, on February 3, 2019, the balance of the favorable lease rights, net was netted into the right-of-use assets on the balance sheet (see Note 14). The Trade Name is expected to generate cash flows indefinitely and, therefore, is accounted for as an indefinite-lived asset not subject to amortization.

The Trade Name is tested for impairment annually at the last day of our eleventh fiscal month, or whenever events or circumstances indicate that the carrying amount of the Trade Name may not be recoverable. Impairment is calculated as the excess of the Trade Name's carrying value over its fair value. The fair value of the Trade Name is determined using the relief-from-royalty method, a variation of the income approach. This method assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these types of assets. Once a supportable royalty rate is determined, the rate is then applied to the projected revenues over the expected remaining life of the intangible assets to estimate the royalty savings. This approach is dependent on a number of factors, including estimates of future growth and trends, royalty rates, discount rates and other variables. The results of the 2019, 2018 and 2017 annual impairment tests indicated that the fair value of the Trade Name was in excess of its carrying value and no impairments existed.

Deferred Loan Costs

Costs incurred to issue debt are deferred and recorded in the consolidated balance sheets. Those costs related to the issuance of term loan facilities and senior notes are recorded in long-term debt, net of current maturities and amortized as a component of interest expense over the terms of the related debt agreement using the effective interest method. The costs related to the issuance of our revolving credit facilities are recorded in other noncurrent assets on the consolidated balance sheets and amortized as a component of interest expense over the terms of the related debt agreements using the straight-line method.

Derivative Instruments

We are exposed to interest rate risk, primarily related to changes in interest rates on our term loan (see Note 4) and have used interest rate swap agreements, which we have designated as "cash flow" hedges, to hedge against market risks relating to possible adverse changes in interest rates. We assess, both at the inception of the hedge and on an ongoing basis, whether derivatives used as hedging instruments are highly effective in offsetting the changes in the fair value or cash flow of the hedged items. If it is determined that a derivative is not highly effective as a hedge or ceases to be highly effective, we discontinue hedge accounting prospectively.

Derivative financial instruments are recognized at fair value in the consolidated balance sheets (see Note 5 and Note 6). The changes in the fair value of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income, or AOCI, net of tax effects, and are subsequently reclassified to earnings when the hedged transaction affects earnings.

Self-Insurance

We maintain deductibles or self-insurance retentions for workers' compensation, general liability and employee health benefits. Additionally, we use the services of an independent actuary to assist in determining losses associated with workers' compensation, general liability and employee health benefits. Liabilities associated with these losses are actuarially derived and estimated in part by considering historical claims experience, industry factors, severity factors, claim development, as well as other actuarial assumptions. If actual trends, including the severity or frequency of claims, medical cost inflation or fluctuations in premiums, differ from our estimates, it could have a material adverse impact on our results of operations. Changes in legal claims, claim development, trends and interpretations, variability in inflation rates, changes in the nature and method of claims settlement, benefit level changes due to changes in applicable laws, insolvency of insurance carriers and changes in discount rates could all adversely affect our ultimate expected losses. We believe the actuarial valuation provides the best estimate of the ultimate expected losses, and we have recorded the present value of the actuarially determined ultimate losses for the insurance related liabilities mentioned above.

Lease Incentives

All of our stores, corporate office facilities, and warehouse and distribution centers are leased. We may receive reimbursement from a landlord for some or all of the cost of a construction project, which may be structured as a tenant improvement allowance, construction allowance or landlord reimbursement, or collectively, Lease Incentives.

Prior to the New Lease Standard, if we were the deemed owner of the property during the construction period and the sale-leaseback criteria were met, any differences between fair value of the property and the sales price of the property, are deferred and recognized ratably as an adjustment to selling, general and administrative expenses in the consolidated statements of income over the term of the related lease. Under the New Lease Standard, the losses and gains from sale-leaseback transactions are no longer deferred, but instead recognized immediately. Upon transition to the new standard on February 3, 2019, the remaining deferred gains and losses related to our previous sale-leaseback transactions resulted in a cumulative effect adjustment to retained earnings (see Note 14). To date, the Company has not executed a sale-leaseback transaction under the New Lease Standard.

Prior to the New Lease Standard, cash received from a landlord for tenant improvement allowances in store lease transactions not considered a sale-leaseback transaction were recorded in other long-term liabilities in the consolidated balance sheets and amortized as a reduction of rent expense in selling, general and administrative expenses in the consolidated statements of income over the term of the related lease. Under the New Lease Standard these receipts are a reduction to the right-of-use assets on the balance sheet (see Note 14), which are amortized ratably over the remaining terms of the corresponding leases.

Net Sales

We sell merchandise under implicit contracts whereby the transaction price is the listed sales price less any discounts or coupons applied. Our typical coupons offer a discount, which is applied immediately at the time of purchase. However, under certain circumstances we may issue a coupon, or similar incentive, which contains a material future right. In such instances, a portion of the revenue is deferred and subsequently recognized when earned.

Revenue from merchandise sales is recognized, net of sales tax, when the Company's performance obligation to the customer is met, which is when the Company transfers control of the merchandise to the customer. Store merchandise sales are recognized at the point of sale. For e-commerce sales, significant judgment is applied in determining when the transfer of control occurs, which we believe occurs upon

customer receipt, and accordingly online merchandise sales are recognized upon delivery of the merchandise to the customer. The Company does not extend a material amount of credit. The sales return allowance, which is our provision for anticipated merchandise returns, is provided through a reduction of sales and cost of goods sold on a gross basis in the period that the related sales are recorded. The sales return allowance and related liability are included in merchandise inventories and in accrued expenses and other liabilities, respectively, in our consolidated balance sheets. Merchandise returns are estimated based on historical experience.

Cost of Goods Sold

Cost of goods sold includes the direct cost of merchandise and costs related to procurement, warehousing and distribution and the related depreciation and amortization. These costs consist primarily of payroll and benefits, occupancy costs and freight.

Shipping and Handling Costs

Shipping and handling costs billed to customers are included in net sales. Shipping and handling costs that we incur associated with shipping products to customers are included in cost of goods sold.

Vendor Allowances

Vendor allowances include volume purchase rebates, promotional and advertising allowances, cooperative advertising funds and support for new store openings. These allowances are generally determined for each fiscal year with the majority of allowances based on quantitative contract terms. Allowances related to the purchase of merchandise inventories are recorded as a reduction of cost of goods sold as the related merchandise is sold. Allowances for cooperative advertising and promotion programs and other expenses are recorded in selling, general and administrative expenses as a reduction of the related costs as the related expense is incurred. Any allowance in excess of actual costs incurred that are included in selling, general and administrative expenses, or that do not require proof of performance, are recorded as a reduction of cost of sales. For volume purchase rebates, we record an estimate of vendor allowances earned based on the latest projected purchase volumes.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include store and corporate administrative payroll and payroll benefits, store and corporate headquarters occupancy costs, advertising, credit card processing, information technology, pre-opening costs, depreciation and amortization and other store and administrative expenses.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expenses, net of specific vendor allowances, were $142.3 million, $139.1 million and $140.8 million in 2019, 2018 and 2017, respectively.

Pre-Opening Expenses

Non-capital expenditures associated with opening new stores and distribution centers, which consist primarily of occupancy costs, marketing, payroll and recruiting costs, are expensed as incurred. Pre-opening expenses for our new stores were $3.2 million, $3.4 million and $10.8 million in 2019, 2018 and 2017, respectively.

Deferred Rent

Substantially all of our leases contain landlord incentives and escalation clauses. Where a lease contains an escalation clause calling for increased rent, or a landlord incentive such as a rent holiday, rent expense is recognized using the straight-line method over the term of the lease. With the adoption of the New Lease Standard on February 3, 2019, the deferred rent balances were netted into the right-of-use assets on the balance sheet (see Note 14), which are amortized ratably over the remaining terms of the corresponding leases.

Equity Compensation

We account for equity compensation in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, topic 718, *Compensation-Stock Compensation*, which requires the measurement and recognition of compensation expense for all equity awards made to employees based on estimated fair values on the grant date. Option equity award fair values are estimated on the date of grant using an option-pricing model and restricted unit fair values are based on the estimated unit price on the date of the grant. For awards with service-based vesting requirements only, the fair value of the award is recognized as expense over the requisite service period, and for awards with performance-based vesting requirements, the fair value of the award ultimately expected to meet the performance target is recognized as expense over the service period. We have elected to recognize forfeitures as they occur.

Income Taxes

The Company is a flow through entity for federal income tax purposes, and thus no federal income tax expense has been recorded in the consolidated statements of income. Members of the Company are responsible for federal and state income taxes on their respective share of the Company's profit and losses. When necessary the Company's operating agreement requires it to make distributions, or loans under certain circumstances, to fund the tax obligations of its members. There were no distributions made 2019, 2018 and 2017. In 2019 and 2018, the Company loaned $4.0 million and $4.1 million, respectively, with notes receivable issued to a member (see Note 13). The Company is responsible for certain state and foreign income taxes and recognized expense of $2.8 million, $2.0 million and $2.8 million in 2019, 2018 and 2017, respectively. As of February 1, 2020 and February 2, 2019, the Company had no uncertain tax positions that required recognition in the consolidated financial statements.

We account for deferred income taxes related to state jurisdictions using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future taxes attributable to the difference between financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets are also recognized for the future tax benefits attributable to the expected utilization of tax net operating loss carry forwards and tax credits. In the event future utilization is determined to be unlikely, a valuation allowance is provided to reduce the tax benefits from such assets. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the period in which the temporary differences and carry forwards are expected to be recovered or settled. Deferred tax assets and deferred tax liabilities are recorded in other noncurrent assets and other long-term liabilities, respectively, in our consolidated balance sheets. The effect of a change in tax rates is recognized in the period which includes the enactment date. We recognize interest and penalties as a component of income tax expense.

Comprehensive Income

Comprehensive income represents the net income for the period plus the results of certain changes to partners' equity (other comprehensive income) that are not reflected in the consolidated statements of income. Other comprehensive income consists of adjustments, net of tax, related to the Company's interest rate swaps.

Operating Segment

Given the similar business activities, economic characteristics, products sold, customer base and methods of procurement, as well as the similar marketing and promotional activities of our stores and our *academy.com* website, we report our financial results as one reportable segment. Substantially all of the Company's identifiable assets are located in the United States.

Recently Adopted Accounting Standards

Leases

Effective February 3, 2019, we adopted the New Lease Standard, which requires that lessees recognize assets and liabilities arising from operating leases on the balance sheet and disclose key information about leasing arrangements.

We elected the practical expedient available to us under ASU 2018-11, *"Leases: Targeted Improvements"*, which allows us to apply the transition provision for the New Lease Standard at our adoption date instead of at the earliest comparative period presented in our financial statements. Adoption of the New Lease Standard resulted in approximately $1.2 billion of additional lease obligation and approximately $1.2 billion of right-of-use assets, which are reflected in the short-term and long-term liabilities and long-term assets sections of the balance sheet, respectively, as well as an cumulative-effect adjustment increase to the opening balance of retained earnings of approximately $5.1 million (see Note 14). Adoption of the New Lease Standard did not impact our debt-covenant compliance or liquidity under our current agreements.

3. Net Sales

The following table sets forth the approximate amount of sales by merchandise divisions for the periods presented (amounts in thousands):

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
Merchandise division sales (1)			
Outdoors	**$ 1,522,985**	$ 1,544,021	$ 1,583,183
Sports and recreation	**859,868**	900,347	939,464
Apparel	**1,405,258**	1,321,035	1,311,054
Footwear	**1,021,603**	997,692	986,887
Total merchandise sales (2)	**4,809,714**	4,763,095	4,820,588
Other sales (3)	**20,183**	20,798	14,994
Net sales	**$ 4,829,897**	$ 4,783,893	$ 4,835,582

(1) Certain products and categories were recategorized amongst categories and divisions during 2019 in order to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions for 2018 and 2017 for comparability purposes. This reclassification is in presentation only and did not impact the overall net sales balances previously disclosed (see Note 2).

(2) E-commerce sales consist of 5.1%, 4.9% and 4.0% of merchandise sales for 2019, 2018 and 2017, respectively.

(3) Other sales consists primarily of the sales return allowance, gift card breakage income, credit card bounties and royalties, shipping income, net hunting and fishing license income and other items.

We sell gift cards in stores, online and in third-party retail locations. The gift cards we sell have no expiration dates. We establish a liability for gift cards, which is recorded in accrued expenses and other liabilities on our consolidated balance sheets, at the time of sale and recognize revenues as the gift cards are redeemed. Based on historical gift card redemption patterns, we can reasonably estimate the amount of gift cards that have a remote likelihood of redemption. These identified amounts are recorded as net sales and recognized in proportion to historical redemption trends, which is referred to as "breakage."

The following is a reconciliation of the gift card liability (amounts in thousands):

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Gift card liability, beginning balance	**$ 66,153**	$ 59,724	$ 51,493
Issued	**134,839**	153,429	147,004
Redeemed	**(128,638)**	(142,742)	(134,580)
Recognized as breakage income	**(4,361)**	(4,258)	(4,193)
Gift card liability, ending balance	**$ 67,993**	$ 66,153	$ 59,724

4. Long-Term Debt

Our debt consisted of the following (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Senior Secured Asset-Based Revolving Credit Facility	**$ —**	$ —
Senior Secured Term Loan Facility, due July 2022 net of discount of $2.6 million and $4.0 million, respectively	**1,466,402**	1,630,890
Total debt	**1,466,402**	1,630,890
Less current maturities	**(34,116)**	(68,305)
Less deferred loan costs (1)	**(3,744)**	(5,830)
Total long-term debt	**$ 1,428,542**	$ 1,556,755

(1) These costs are related to the 2015 Term Loan Facility (as defined below).

As of February 1, 2020 and February 2, 2019, the balance in deferred loan costs related to the Amended ABL Facility (as defined below) was approximately $3.4 million and $4.5 million, respectively, and was included in other noncurrent assets on our consolidated balance sheets. Total amortization of deferred loan costs was $2.6 million, $3.0 million and $3.2 million in 2019, 2018 and 2017, respectively.

On July 2, 2015, Academy, Ltd. entered into a seven-year $1.8 billion senior secured term loan facility, or the 2015 Term Loan Facility, with Morgan Stanley Senior Funding, Inc., as the administrative and collateral agent, and other lenders, and a five-year $650 million secured asset-based revolving credit facility, or the 2015 ABL Facility, with JPMorgan Chase Bank, N.A., as administrative agent, and other lenders. Academy, Ltd. received proceeds from the 2015 Term Loan Facility of $1.8 billion, which was net of discount of $9.1 million. On May 22, 2018, the Company amended the agreement governing the 2015 ABL Facility, or as amended, the Amended ABL Facility, to increase the commitment on the facility from $650 million to $1 billion. The operative terms, conditions, covenants and pricing of the Amended ABL Facility remain the same in all material respects to the 2015 ABL Facility and/or have been sized in approximate proportion to the relative increase in the facility where such operative terms are based upon the commitment level on the facility. The Amended ABL Facility matures on May 22, 2023, subject to a springing maturity clause which is triggered 91 days before the July 2, 2022 maturity of the 2015 Term Loan Facility should it not be paid off or extended at least 91 days beyond the May 22, 2023 maturity date of the Amended ABL Facility. In connection with the Amended ABL Facility, the Company capitalized related professional fees of $2.8 million as deferred loan costs and wrote off $0.1 million in previously capitalized deferred loan costs. Academy, Ltd. has the option to increase the commitments under the Amended ABL Facility by $250 million, subject to the satisfaction of certain conditions under the agreement.

2015 Term Loan Facility. The 2015 Term Loan Facility bears interest, at our election, at either (1) LIBOR rate with a floor of 1.00%, plus a margin of 4.00%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Morgan Stanley Senior Funding, Inc.'s "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 3.00%. Quarterly principal payments of approximately $4.6 million are required through June 30, 2022, with the balance due in full on the maturity date of July 2, 2022. As of February 1, 2020, the weighted average interest rate was 5.77%, with interest payable monthly. The terms and conditions of the 2015 Term Loan Facility also require that we prepay outstanding loans under the 2015 Term Loan Facility under certain circumstances. As of February 1, 2020, a $15.9 million prepayment was due under the terms and conditions of the 2015 Term Loan Facility.

In 2019 and 2017, we repurchased principal on our 2015 Term Loan Facility, which was trading at a discount. The following table provides further detail regarding these repurchases (amounts in millions):

	Fiscal Year Ended	
	February 1, 2020	February 3, 2018
Gross principal repurchased	**$ 147.7**	$ 26.2
Reacquisition price of debt	**$ 104.6**	$ 19.7
Net gain recognized	**$ 42.3**	$ 6.3

Amended ABL Facility. The Amended ABL Facility is used to provide financing for working capital and other general corporate purposes, as well as to support certain letters of credit requirements, and availability is subject to customary borrowing base and availability provisions. During the normal course of business, we periodically utilize letters of credit primarily for the purchase of import goods and in support of insurance contracts. As of February 1, 2020, we had outstanding letters of credit of approximately $17.7 million, of which $15.9 million were issued under the Amended ABL Facility, and we had no borrowings outstanding under the Amended ABL Facility, leaving the available borrowing capacity under the Amended ABL Facility of $827.4 million (see Note 19).

Borrowings under the Amended ABL Facility bear interest, at our election, at either of (1) LIBOR plus a margin of 1.25% to 1.75%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) JPMorgan Chase Bank, N.A.'s "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 0.25% to 0.75%. The Amended ABL Facility also provides a fee applicable to the unused commitments of 0.25%. The terms and conditions of the Amended ABL Facility also require that we prepay outstanding loans under the Amended ABL Facility under certain circumstances. As of February 1, 2020, no future prepayments of outstanding loans have been triggered under the terms and conditions of the Amended ABL Facility.

Liens and guarantees. The Amended ABL Facility has a first priority lien on all Academy, Ltd.'s cash, accounts receivable, inventory, deposit and securities accounts and proceeds therefrom, or the ABL Collateral. Additionally, the Amended ABL Facility has a second priority lien on all other collateral of the 2015 Term Loan Facility. All obligations under the 2015 Term Loan Facility and the guarantees of those obligations are secured by:

- a second-priority security interest in the ABL Collateral;
- a first-priority security interest in, and mortgages on, substantially all present and after acquired tangible and intangible assets of Academy, Ltd.; and
- a first-priority pledge of 100% of the capital stock of Academy, Ltd.'s domestic subsidiaries and 66% of the voting capital stock of each of Academy, Ltd.'s foreign subsidiaries, if any, that are directly owned by Academy, Ltd. or a future U.S. guarantor, if any.

The Amended ABL Facility and the 2015 Term Loan Facility are each guaranteed by Holdco and all of its subsidiaries except for Academy International Limited, a Hong Kong limited liability company and subsidiary of Academy, Ltd.

Covenants. The Amended ABL Facility and the 2015 Term Loan Facility agreements contain covenants, including, among other things, covenants that restrict Academy, Ltd.'s ability to incur certain additional indebtedness, create or permit liens on assets, engage in mergers or consolidations, pay dividends, make other restricted payments, make loans or advances, engage in transactions with affiliates or amend material documents. Additionally, at certain times, the Amended ABL Facility is subject to a minimum adjusted fixed charge coverage ratio. These covenants are subject to certain qualifications and limitations. We were in compliance with these covenants as of February 1, 2020.

As of February 1, 2020, scheduled principal payments on our debt are as follows (amounts in thousands):

Fiscal Year	
2020	$ 34,116
2021	18,250
2022	1,416,627
Total	**$ 1,468,993**

5. Derivative Financial Instruments

We use interest rate swap agreements to hedge market risk relating to possible adverse changes in interest rates. A summary of our interest rate swaps is as follows (dollar amounts in thousands):

Notional Amount	Fixed Rate	Effective Date	Termination Date
$320,000 (1)	2.21%	September 7, 2016	September 3, 2021
$250,000	1.54%	November 1, 2016	November 1, 2021
$400,000	2.54%	March 1, 2018	March 1, 2021

(1) The initial $600,000 notional amount of the swap amortizes to $525,000, $430,000, $320,000 and $250,000 on September 3 of 2017, 2018, 2019 and 2020, respectively.

The fair value of the interest rate swaps is as follows (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Assets		
Amounts included in other current assets	**$ —**	$ 3,386
Amounts included in other noncurrent assets	**—**	5,355
Liabilities		
Amounts included in accrued expenses and other current liabilities	**6,130**	75
Amounts included in other long-term liabilities	**1,976**	258
Total swap net assets (liabilities)	**$ (8,106)**	$ 8,408

Amounts included in AOCI are reclassified to interest expense in the same period during which the hedged transaction affects earnings, which is as interest expense is recorded on the underlying 2015 Term Loan Facility. As of February 1, 2020, we estimate that approximately $6.7 million of the balance in AOCI will be reclassified as an increase in interest expense during the next 12 months.

The impact of gains and losses related to interest rate swaps that are deferred into AOCI and subsequently reclassified into interest expense is as follows (amounts in thousands):

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Gain (loss) deferred into AOCI	**$ (16,096)**	$ (2,625)	$ 5,876
Increase (decrease) to interest expense	**$ (418)**	$ 1,106	$ 7,497

6. Fair Value Measurements

Fair value is defined as an exit price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Authoritative guidance establishes a three-level hierarchy for disclosure that is based on the extent and level of judgment used to estimate the fair value of the assets and liabilities.

The fair value measurements are classified as either:

- Level 1 which represents valuations based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 which represents valuations based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 which represents valuations based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy in which the fair value measurement is classified in its entirety, is based on the lowest level input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. There were no transfers made into or out of the Level 1, 2 or 3 categories during any period presented.

The following table provides the fair value hierarchy for our derivative financial instruments (amounts in thousands) as of:

	Fair Value Hierarchy	February 1, 2020	February 2, 2019
Assets			
Interest rate swap	Level 2	**$ —**	$ 8,741
Liabilities			
Interest rate swap	Level 2	**$ 8,106**	$ 333

We value our derivative financial instruments using a discounted cash flow analysis based on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market based inputs including interest rates and implied volatilities. Our valuations also consider both our own and the respective counterparty's non-performance risk. We have considered unobservable market factors such as the likelihood of default by us and our counterparty, our net exposures, credit enhancements, and remaining maturities in determining a credit valuation adjustment to include

as part of the fair value of our derivative financial instruments. To date, the credit valuation adjustment did not comprise a material portion of the fair value of the derivative financial instruments. Therefore, we consider our derivative financial instruments to fall within Level 2 of the fair value hierarchy.

Non-Financial Assets Measured on a Non-Recurring Basis

Certain non-financial assets are subject to periodic impairment tests and are not measured to fair value on a recurring basis. These assets include property and equipment, goodwill, our Trade Name and favorable leases (see Note 8). During 2018, we recorded full property and equipment impairment charges of $1.4 million on one project and one store that we continue to operate. During 2017, we recorded full property and equipment impairment charges of $2.5 million on two stores that we continue to operate. The related charges are included in selling, general and administrative expenses in the consolidated statement of income. The fair value for each store was determined by using a discounted cash flow model of projected store income, which we have classified as Level 3 of the fair value hierarchy.

Other Financial Instruments

Periodically we make cash investments in money market funds comprised of U.S. Government treasury bills and securities, which are classified as cash and redeemable on demand. We held investments in money market funds of $113.3 million and $42.6 million as of February 1, 2020 and February 2, 2019, respectively.

The fair value of the 2015 Term Loan Facility is estimated using a discounted cash flow analysis based on quoted market prices for the instrument in an inactive market and is therefore classified as Level 2 within the fair value hierarchy. As of February 1, 2020 and February 2, 2019, the estimated fair value of the 2015 Term Loan Facility was $1.2 billion and $1.1 billion, respectively. As borrowings on the Amended ABL Facility are generally repaid in less than 12 months, we believe that fair value approximates the carrying value.

7. Property and Equipment

Property and equipment consists of the following (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Leasehold improvements	**$ 436,807**	$ 419,885
Equipment and software	**537,364**	496,089
Furniture and fixtures	**316,420**	304,784
Construction in progress and land	**17,639**	35,533
Land	**3,698**	3,698
Total property and equipment	**1,311,928**	1,259,989
Accumulated depreciation and amortization	**(870,521)**	(763,836)
Property and equipment, net	**$ 441,407**	$ 496,153

Depreciation expense, which is included in selling, general and administrative expenses in the consolidated statements of income, was $117.3 million, $130.4 million and $130.8 million in 2019, 2018 and 2017, respectively.

8. Intangible Assets

Intangible assets consist of the following (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Assets subject to amortization:		
Favorable lease rights, net	**$ —**	$ 15,067
Assets not subject to amortization:		
Trade name	**577,000**	577,000
Trade name and other intangible assets, net	**$ 577,000**	$ 592,067

With the adoption of the New Lease Standard on February 3, 2019, the balance of the favorable lease rights, net was netted into the right-of-use assets on the balance sheet which are amortized ratably over the remaining terms of the corresponding leases (see Note 14).

Amortization expense on favorable lease rights was $3.5 million in 2018 and 2017, respectively. Favorable lease rights are net of accumulated amortization of $25.0 million as of February 2, 2019.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Accrued personnel costs	**$ 54,065**	$ 36,955
Accrued interest	**7,835**	3,574
Accrued sales and use tax	**12,651**	7,521
Accrued self-insurance	**14,107**	14,632
Property taxes	**16,919**	16,941
Deferred revenue—gift cards and other	**70,220**	67,527
Sales return allowance	**5,500**	5,800
Other	**30,084**	31,191
Accrued expenses and other current liabilities	**$ 211,381**	$ 184,141

10. Equity and Unit-Based Compensation

The Company had 228,274,749 Membership Units authorized, issued and outstanding as of February 1, 2020.

The New Academy Holding Company, LLC 2011 Unit Incentive Plan, or the 2011 Unit Incentive Plan, provides for the grant of certain equity incentive awards, or each, an Award, such as options to purchase Holdco Membership Units, or each, a Unit Option, and restricted units that may settle in Holdco Membership Units, or each, a Restricted Unit, to our directors, executives, and eligible employees of the Company.

Unit Options granted under the 2011 Unit Incentive Plan consist of Unit Options that vest upon the satisfaction of time-based requirements, or each, a Service Option, and Unit Options that vest upon the satisfaction of both time-based requirements and Company performance-based requirements, or each, a Performance Option.

Restricted Units granted under the 2011 Unit Incentive Plan consist of Restricted Units that vest upon the satisfaction of time-based requirements, or each, a Service Restricted Unit, and Restricted Units that vest upon the satisfaction of both time-based requirements and liquidity event-based requirements, or each, a Liquidity Event Restricted Unit. In each case, vesting of the Company's outstanding and unvested Unit Options and Restricted Units is contingent upon the holder's continued service through the date of each applicable vesting event.

As of February 1, 2020, the number of Holdco Membership Units authorized for the grant of Awards under the 2011 Unit Incentive Plan was 33,948,085 Membership Units. As of February 1, 2020, there were 2,051,547 Holdco Membership Units that were authorized and available for the grant of Awards under the 2011 Unit Incentive Plan.

Equity compensation expense was $7.9 million, $4.6 million and $4.6 million in 2019, 2018 and 2017, respectively, and is included in selling, general and administrative expenses in our consolidated statements of income.

On June 22, 2018, the Company reduced the exercise price on vested and unvested options to fair market value for current employees holding options with exercise prices greater than fair market value. The repricing affected 184 employees and 6,909,475 options. Equity compensation expense incurred at the time of the repricing was $0.7 million.

As of February 1, 2020, unrecognized compensation cost related to Unit Options and Restricted Units of $16.7 million is expected to be recognized over a weighted average life of 2.7 years. The total fair value of Restricted Units vested was $0.3 million, $0.2 million and $0.2 million for 2019, 2018 and 2017, respectively.

Unit Option Fair Value Assumptions

The fair value for Service Options and Performance Options granted was estimated using a Black-Scholes option-pricing model. The expected lives of the Service Options and Performance Options granted were based on the "SEC simplified" method and a mid-point assumption, respectively. Expected price volatility was determined based on the implied volatilities of comparable companies over a historical period that matches the expected life of the Unit Options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The assumptions used to calculate the fair value of Unit Options granted are evaluated and modified, as necessary, to reflect current market conditions and experience.

The following table presents the assumptions and grant date fair values for Service Options and Performance Options granted in 2019, 2018 and 2017:

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
Expected life in years	**6.2**	6.2	6.2
Expected volatility	**52%**	50% to 55%	52% to 57%
Weighted-average volatility	**52.0%**	54.1%	53.1%
Risk-free interest rate	**1.4% to 2.5%**	2.6% to 2.9%	1.8% to 2.2%
Dividend yield	**—**	—	—
Weighted-average grant date fair value - Service Options	**$2.75**	$2.85	$3.10
Weighted-average grant date fair value - Performance Options	**$2.74**	$2.84	$3.11

Unit Option Activity

The Company's outstanding and unvested Service Options typically vest ratably over a four-year period, on each anniversary of their grant date. In the event of certain Company change of control transactions, the Company's then-outstanding and unvested Service Options will become fully vested and exercisable.

The Company's outstanding and unvested Performance Options typically vest ratably over a four-year period, after the conclusion of each fiscal year and upon our board of managers' determination that the Company

has achieved certain pre-determined annual earnings before interest, taxes, depreciation and amortization, or EBITDA, targets for such fiscal year. The Company's outstanding and unvested Performance Options may, on a case-by-case basis, also grant certain additional vesting rights, whereby any Performance Options that do not vest due to missed annual EBITDA targets may nevertheless partially or fully vest as a result of certain alternative events, including, as examples, the Company achieving a pre-determined cumulative EBITDA target for a set of fiscal years, or the Company achieving a pre-determined Holdco Membership Unit valuation target on a specified date, or the Company completing a change in control or an initial public offering.

Unit Option activity is as follows:

Service-Based Unit Options [1]

	Unit Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 28, 2017	12,049,440	$ 3.66	6.2	$ 30,857
Granted or modified	4,126,204	5.92		
Canceled or modified	(533,211)	5.83		
Forfeited	(1,301,531)	6.00		
Exercised	—	—		
Outstanding as of February 3, 2018	14,340,902	$ 4.02	6.0	$ 18,415
Granted or modified	9,654,571	5.29		
Canceled or modified	(5,898,381)	5.99		
Forfeited	(2,486,813)	5.52		
Exercised	—	—		
Outstanding as of February 2, 2019	15,610,279	$ 3.82	5.7	$ 33,157
Granted or modified	**4,365,143**	5.27		
Canceled or modified	**(601,974)**	4.60		
Forfeited	**(1,133,977)**	5.23		
Exercised	**—**	—		
Outstanding as of February 1, 2020 [2]	**18,239,471**	$ 4.05	5.5	$ 28,855
Exercisable as of February 1, 2020	**11,225,459**	$ 3.29	3.6	$ 26,584

(1) The fair value of a membership unit as of each period end was $6.07, $4.40, $5.91, $5.59, for the fiscal years ended 2016, 2017, 2018, and 2019, respectively.

(2) The Company has elected to recognize forfeitures as they occur. Therefore, the number of awards vested and expected to vest is equal to the awards outstanding.

Performance-Based Unit Options [1]

	Unit Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 28, 2017	9,959,420	$ 3.14	5.5	$ 31,031
Granted or modified	1,232,128	5.95		
Canceled or modified	(436,759)	5.71		
Forfeited	(852,432)	6.48		
Exercised	—	—		
Outstanding as of February 3, 2018	9,902,357	$ 3.09	4.8	$ 18,658
Granted or modified	3,272,337	5.29		
Canceled or modified	(2,258,138)	5.86		
Forfeited	(1,231,868)	5.59		
Exercised	—	—		
Outstanding as of February 2, 2019	9,684,688	$ 2.86	4.1	$ 29,960
Granted or modified	**1,335,436**	5.27		
Canceled or modified	**(228,718)**	3.90		
Forfeited	**(563,830)**	5.27		
Exercised	**—**	—		
Outstanding as of February 1, 2020 [2]	**10,227,576**	$ 3.02	3.6	$ 26,838
Exercisable as of February 1, 2020	**7,760,964**	$ 2.31	2.0	$ 26,061

(1) The fair value of a membership unit as of each period end was $6.07, $4.40, $5.91, $5.59, for the fiscal years ended 2016, 2017, 2018, and 2019, respectively.

(2) The Company has elected to recognize forfeitures as they occur. Therefore, the number of awards vested and expected to vest is equal to the awards outstanding.

Restricted Unit Activity

Restricted Unit activity is as follows:

Restricted Units

	Units	Weighted Average Grant Date Fair Value Per Unit
Non-vested as of January 28, 2017	1,374,348	$ 6.00
Granted	29,022	6.03
Vested	(8,238)	6.07
Non-vested as of February 3, 2018	1,395,132	$ 6.00
Granted	2,769,316	5.34
Vested	(34,704)	5.90
Forfeited	(782,295)	5.79
Non-vested as of February 2, 2019	3,347,449	$ 5.50
Granted	**180,610**	5.26
Vested	**(57,363)**	5.26
Forfeited	**(141,510)**	$ 5.30
Non-vested as of February 1, 2020	**3,329,186**	$ 5.50

As of February 1, 2020, there are 38,024 Holdco Membership Units that are subject to outstanding and unvested Service Restricted Units issued during 2019. The Service Restricted Units contain a weighted average grant date fair value of $5.26 per unit. The Company's outstanding and unvested Service Restricted Units typically vest 100% on the six-month or one-year anniversary of their grant date. In the event of certain Company change of control transactions, the Company's then-outstanding and unvested Service Restricted Units will become fully vested and exercisable.

As of February 1, 2020, there are 3,291,162 Holdco Membership Units that are subject to outstanding and unvested Liquidity Event Restricted Units with a weighted average grant date fair value of $5.51 per unit. The Company's outstanding and unvested Liquidity Event Restricted Units are currently not being expensed and will not be expensed until the performance objective meets the definition of "probable" in accordance with ASC 718. The Company's outstanding and unvested Liquidity Event Restricted Units typically vest either (i) over a four-year period at rates of 30%, 30%, 20% and 20% per anniversary of the Liquidity Event Restricted Unit holder's employment start date, so long as the Company completes an initial public offering prior to the fifth anniversary of their grant date, or (ii) immediately at a rate of 100%, upon the completion of certain Company change of control transactions, so long as the Company completes such change of control transaction prior to the fifth anniversary of their grant date. If the performance objective of the Liquidity Event Restricted Units had been met as the result of the Company completing an initial public offering on February 1, 2020, we would have expensed approximately $10.2 million of stock compensation expense associated with the vesting of the Liquidity Event Restricted Units achieved as of such date.

11. Earnings Per Unit

Basic earnings per unit is calculated based on net income divided by the weighted average total number of Membership Units outstanding during the period, and dilutive earnings per unit is calculated based on net income divided by diluted weighted average units outstanding. Dilutive weighted average units outstanding is based on the basic weighted average units outstanding plus any potential dilutive effect of units outstanding during the period using the treasury stock method, which assumes the potential proceeds received from the dilutive Unit Options are used to purchase treasury stock. Anti-dilutive stock-based awards do not include awards which have a performance or liquidity event target which has yet to be achieved.

Basic and dilutive units outstanding are calculated as follows (dollar amounts in thousands except per unit amounts):

	Fiscal Year Ended		
	February 1, 2020	**February 2, 2019**	**February 3, 2018**
Net income	**$ 120,043**	$ 21,442	$ 58,501
Weighed average units outstanding - basic	**228,303,750**	228,160,508	227,942,148
Dilutive effect of Restricted Units	**35,376**	51,417	19,608
Dilutive effect of Service Options	**2,886,601**	4,036,699	4,062,335
Dilutive effect of Performance Options	**4,383,391**	4,625,349	4,780,630
Weighed average units outstanding - diluted	235,609,118	236,873,973	236,804,721
Earnings per unit - basic	**$ 0.53**	$ 0.09	$ 0.26
Earnings per unit - diluted	**$ 0.51**	$ 0.09	$ 0.25
Anti-dilutive stock-based awards excluded form diluted calculation	**1,833,855**	7,485,706	10,150,627

12. Income Taxes

The income tax provision consists of the following (amounts in thousands) as of:

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Current expense:			
U.S. Federal	**$ —**	$ —	$ —
U.S. State	**2,501**	2,412	2,580
Foreign	**19**	33	54
Total current expense	**2,520**	2,445	2,634
Deferred expense (benefit):			
U.S. Federal	**—**	—	—
U.S. State	**318**	(514)	145
Foreign	**(21)**	20	2
Change in valuation allowance	**—**	—	—
Total deferred expense (benefit)	**297**	(494)	147
Income tax expense	**$ 2,817**	$ 1,951	$ 2,781

The provision for income taxes differs from the amounts computed by applying the federal statutory rate (dollar amounts in thousands) as follows:

	Fiscal Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Income before income taxes	**$ 122,860**	$ 23,393	$ 61,282
Tax at federal statutory rate (21% for 2019, 21% for 2018 and 33.8% for 2017)	**25,801**	4,913	20,731
Increase in tax expense resulting from:			
State income tax	**2,818**	1,898	2,725
Foreign tax	**(1)**	53	56
Effect of rates due to pass through entities	**(25,801)**	(4,913)	(20,731)
Income tax expense	**$ 2,817**	$ 1,951	$ 2,781
Effective income tax rate	**2.3%**	8.3%	4.5%

Income tax expense is less than the federal statutory rate since the Company is a flow through entity for federal income tax purposes. As such, no federal income tax expense has been recorded in the consolidated statements of income. Our tax rate is almost entirely the result of state income taxes.

On December 22, 2017, the Tax Cuts and Jobs Act, or the Act, was signed into law. The Act decreased the U.S. corporate federal tax rate from 35% to 21% effective January 1, 2018. The Company did not have any impact on recorded deferred tax balances as the Company is a pass-through entity and only has deferred items related to state taxes.

The components that give rise to significant portions of the net deferred tax assets and liabilities are presented below (amounts in thousands) as of:

	February 1, 2020	February 2, 2019
Deferred tax assets:		
Tax credits	**$ 2,749**	$ 2,741
Other	**944**	985
Total gross deferred tax assets	**3,693**	3,726
Deferred tax liabilities:		
Intangibles and depreciation	**2,760**	2,767
Inventories and other	**713**	442
Total gross deferred tax liabilities	**3,473**	3,209
Net deferred tax asset	**$ 220**	$ 517

Management evaluates the realizability of the deferred tax assets and the need for additional valuation allowances annually. At February 1, 2020, based on current facts and circumstances, management believes that it is more likely than not that the Company will realize benefit for its gross deferred tax assets.

As of February 1, 2020, we had no unrecognized tax benefits and we do not anticipate that unrecognized tax benefits will significantly increase or decrease over the next 12 months. There are no tax returns that are currently under examination. Federal and state tax years that remain subject to examination are periods ended January 28, 2017 through February 1, 2020.

13. Related Party Transactions

Monitoring Agreement

On August 3, 2011, or the Effective Date, we entered into a monitoring agreement, or the Monitoring Agreement, with Kohlberg Kravis Roberts & Co. L.P., or the Adviser, pursuant to which the Adviser provides advisory, consulting and financial services to us. In accordance with the terms of the Monitoring Agreement, we pay an aggregate annual advisory fee of $3.7 million which increases by 5.0% annually on each anniversary of the Effective Date. The Adviser may also charge us a customary fee for services rendered in connection with securing, structuring and negotiating equity and debt financings by us. Additionally, we are required to reimburse the Adviser for any out-of-pocket expenses in connection with these services. The Monitoring Agreement continues in effect from year-to-year, unless amended or terminated by the Adviser and us. We recognized advisory fees related to the Monitoring Agreement, including reimbursement of expenses, of approximately $3.6 million, $3.5 million and $3.4 million in 2019, 2018 and 2017, respectively. These expenses are included in selling, general and administrative expenses in the consolidated statements of income.

The Monitoring Agreement terminates automatically upon the consummation of an initial public offering, unless we elect otherwise. In the event of such a termination, the Adviser is entitled to all unpaid monitoring fees and expenses plus the net present value of the advisory fees that would have been paid from the termination date through the twelfth anniversary of the Effective Date of the Monitoring Agreement. If an initial public offering was consummated and the Monitoring Agreement was terminated on February 1, 2020, we would have owed approximately $14.2 million of termination fees to the Adviser. Pursuant to a separate agreement, the Adviser would be expected to share a portion of any such termination fee with certain investors who are family descendants of our founder, Max Gochman, or Gochman Investors.

Transaction and Other Fee Arrangements

In 2015, we paid KKR Capital Markets LLC, or KCM, an affiliate of KKR, $2.1 million in fees in connection with the 2015 Term Loan Facility. These fees are recorded as deferred loan costs, net of amortization, within the long-term debt on the balance sheets. The Company also incurred expenses of $0.9 million and $0.3 million in 2018 and 2017, respectively, related to professional fees owed to an affiliate of KKR. These expenses are included in selling, general and administrative expenses in the statements of income.

Other Related Party Transactions

KKR has ownership interest in a broad range of portfolio companies and we may enter into commercial transactions for goods or services in the ordinary course of business with these companies. We do not believe such transactions are material to our business.

Equity Purchases

For the years ended February 1, 2020, February 2, 2019 and February 3, 2018, executives and directors of the Company made cash purchases of Redeemable Membership Units in Managers for approximately $0.1 million, $1.3 million and $1.2 million, respectively. The cash consideration paid for the Redeemable Membership Units was subsequently contributed to Holdco by Managers in exchange for a number of Holdco Membership Units equal to the number of Redeemable Membership Units purchased.

During the year ended February 1, 2020, Managers repurchased at fair market value approximately $0.5 million of Redeemable Membership Units from a director and an executive of the Company for cash. Holdco concurrently repurchased from Managers for cash, at fair market value, a number of Holdco membership units equal to the number for Redeemable Membership Units repurchased from the director and executive.

Note Receivable from Member

Under Holdco's LLC agreement, certain members may require the Company to provide a tax loan on their behalf under certain circumstances. On April 10, 2019, the Company loaned $4.0 million with a note receivable issued to a member. The note receivable bears semi-annual compounding interest at 2.5% per annum with outstanding principal and interest due on April 10, 2022. On April 5, 2018, the Company loaned $4.1 million with a note receivable issued to a member. The note receivable bears semi-annual compounding interest at 2.1% per annum, with outstanding principal and interest due on April 5, 2021. These notes receivable have been recorded in other non-current assets in the balance sheets.

14. Leases

We lease all of our retail stores, distribution centers and corporate offices. Our leases primarily relate to building leases, which generally include options to renew at our sole discretion for five years or more. We regularly extend options for our building leases, which constitutes a lease modification and thus requires a re-measurement of the lease liability at current discount rates. The life of leasehold improvement assets are limited by the expected lease term. Additionally, we have certain agreements for equipment rentals, which are typically twelve months or less in duration.

Effective February 3, 2019, we adopted the New Lease Standard, which requires that lessees recognize assets and liabilities arising from operating leases on the balance sheet and disclose key information about leasing arrangements. In conjunction with the adoption of the New Lease Standard, we have elected to utilize the package of practical expedients, which allows us to carry forward our historical lease

classifications and eliminates the need to assess whether our pre-existing contracts are, or contain, leases. We also elected to utilize the practical expedient to account for each lease and non-lease components for our building leases as a single lease component which allows certain costs such as common area maintenance associated with these leases to be included as rent expense. Finally, we elected to exclude leases with contract terms of twelve months or less from the New Lease Standard accounting treatment, which results in straight-line recognition of the cost over the lease term with no associated balance sheet lease liability or right-of-use asset. As of February 1, 2020, all of our leases are classified as operating leases.

The following table reflects the balance sheet impact of the implementation of the New Lease Standard upon adoption (amounts in thousands):

	As of February 2, 2019	Adoption Impact	As of February 3, 2019
Assets:			
Prepaid expenses and other current assets (1)	$ 39,937	$ (15,778)	$ 24,159
Right-of-use assets	—	1,173,741	1,173,741
Trade name and other intangible assets, net (1)	592,067	(15,067)	577,000
Other noncurrent assets (1)(2)	21,545	(2,826)	18,719
Liabilities and Partners' Equity:			
Current lease liabilities	—	84,849	84,849
Long-term lease liabilities	—	1,154,697	1,154,697
Other long-term liabilities (1) (2)	122,795	(104,551)	18,244
Retained earnings (2)	$ 553,282	$ 5,075	$ 558,357

(1) The difference between the additional lease assets and lease liabilities relates to certain prepaid or deferred rents, lease incentives and purchase accounting related fair market value lease adjustments which were adjusted out of the accounts above and were netted into the right-of-use asset.
(2) As of February 2, 2019 we had a deferred loss in other noncurrent assets and deferred gain in other long-term liabilities related to previous sale-leaseback transactions, which upon transition resulted in a cumulative-effect adjustment to retained earnings.

Adoption of the New Lease Standard resulted in $1.2 billion in right-of-use assets and a combined $1.2 billion between current lease liabilities and long-term lease liabilities ($0.1 billion and $1.2 billion, respectively) included on the balance sheet as of February 3, 2019.

In addition, in certain situations, we may sublease real estate to third parties. Our sublease portfolio consists mainly of operating leases of former store locations for which we are still under lease and existing store leases in which we have excess or unused space.

The components of lease expense and sublease income included in selling, general and administrative, or SG&A, expenses on our statement of income is as follows (amounts in thousands):

	Fiscal year ended February 1, 2020
Operating lease expense	$ 195,301
Short-term lease expense	—
Variable lease expense	7,736
Sublease income	(1,591)
Net lease expense	**$ 201,446**

Information about our operating leases is as follows (dollar amounts in thousands):

	Fiscal year ended February 1, 2020
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 57,383
Cash paid for amounts included in the measurement of lease liabilities	$ 192,849

	As of February 1, 2020
Weighted-average remaining lease term in years	10.7
Weighted-average incremental borrowing rate	8.89%

As most of our leases do not provide an implicit rate of interest, we use our incremental borrowing rate, which is based on the market lending rates for companies with comparable credit ratings, to determine the present value of lease payments on lease commencement or remeasurement.

The remaining maturities of lease liabilities by fiscal year as of February 1, 2020 are as follows (amounts in thousands):

2020	$ 196,088
2021	195,323
2022	190,609
2023	181,499
2024	171,720
2025	164,071
After 2025	834,644
Total lease payments (1)	1,933,954
Less: Interest	(715,729)
Present value of lease liabilities	$ 1,218,225

(1) Minimum lease payments have not been reduced by sublease rentals of $1.6 million due in the future under non-cancelable subleases.

Future minimum payments determined under the previous accounting standards for operating lease obligations, including committed leases that had not yet commenced, as of February 2, 2019, were as follows (in thousands):

2019	$ 192,632
2020	193,878
2021	192,610
2022	188,048
2023	177,750
Thereafter	1,172,506
Total minimum lease payments (1)	2,117,424
Lease minimum sublease income	(7,719)
Net minimum lease payments	$ 2,109,705

(1) Minimum lease payments have not been reduced by sublease rentals of $7.7 million due in the future under non-cancelable subleases.

15. Commitments and Contingencies

Technology Related Commitments and Other

As of February 1, 2020, we have obligations under technology related contractual commitments as well as other commitments, such as construction commitments, in the amount of $29.8 million. Of such commitments, approximately $20.6 million is payable in the next 12 months.

Commitments Related to Monitoring Agreement

As of February 1, 2020, we have obligations under the Monitoring Agreement (see Note 13) in the amount of $14.4 million, of which $4.1 million is payable in the next 12 months.

Financial Guarantees

During the normal course of business, we enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against us that have not yet occurred. However, based on experience, we believe the risk of loss to be remote.

Legal Proceedings

We are a defendant or co-defendant in lawsuits, claims and demands brought by various parties relating to matters normally incident to our business. No individual case, or group of cases presenting substantially similar issues of law or fact, is expected to have a material effect on the manner in which we conduct our business or on our consolidated results of operations, financial position or liquidity. The majority of these cases are alleging product, premises, employment and/or general liability. Reserves have been established that we believe to be adequate based on our current evaluations and experience in these types of claim situations; however, the ultimate outcome of these cases cannot be determined at this time. We believe, taking into consideration our indemnities, insurance and reserves, the ultimate resolution of these matters will not have a material impact on our financial position, results of operations or cash flows.

Sponsorship Agreements and Intellectual Property Commitments

We periodically enter into sponsorship agreements generally with professional sports teams, associations, events, networks or individual professional players and collegiate athletic programs in exchange for marketing and advertising promotions. We also enter into intellectual property agreements whereby the Company receives the right to use third-party owned trademarks typically in exchange for royalties on sales. These agreements typically contain a one to three-year term and contractual payment amounts required to be paid by the Company. As of February 1, 2020, we have $7.7 million in related commitments through 2027, of which $4.2 million is payable in next 12 months.

16. Employee Benefit Plans

401(k) Plan

We sponsor a safe harbor defined contribution 401(k) profit sharing plan, or the 401(k) Plan, for our eligible employees. The 401(k) plan includes an eligible employee compensation deferral feature, Company matching contributions and a Company profit sharing component. Eligible employees are permitted to contribute up to 75% of their eligible compensation on a pretax basis to the 401(k) Plan, subject to Internal Revenue Service limitations. We match 100% of amounts contributed by a plan participant to the 401(k) Plan each pay period, on a dollar-for-dollar basis, up to 6% of a plan participant’s eligible compensation during such pay period. Annual Company profit sharing contributions are made at the discretion of our

board of managers, subject to certain limitations. The 401(k) Plan may be amended or terminated at our discretion. Employer contributions related to the 401(k) Plan totaled $12.4 million, $11.9 million and $11.6 million in 2019, 2018 and 2017, respectively.

17. Valuation and Qualifying Accounts

(amounts in thousands)	Balance at beginning of period	Charged to costs and expenses	Deductions	Balance at end of period
February 1, 2020:				
Allowance for doubtful accounts	**$ 3,008**	**$ 499**	**$ (232) (1)**	**$ 3,275**
Sales return allowance	**5,800**	**9,400(2)**	**(9,700) (2)**	**5,500**
Inventory shrink adjustments	**19,271**	**62,975**	**(69,355) (3)**	**12,891**
Self-insurance reserves	**22,807**	**61,220**	**(61,598) (4)**	**22,429**
February 2, 2019:				
Allowance for doubtful accounts	$ 2,616	$ 1,020	$ (628) (1)	$ 3,008
Sales return allowance	6,500	9,400(2)	(10,100) (2)	5,800
Inventory shrink adjustments	14,683	69,047	(64,459) (3)	19,271
Self-insurance reserves	19,942	62,000	(59,135) (4)	22,807
February 3, 2018:				
Allowance for doubtful accounts	$ 3,410	$ 1,900	$ (2,694) (1)	$ 2,616
Sales return allowance	6,100	9,100(2)	(8,700) (2)	6,500
Inventory shrink adjustments	5,976	93,248	(84,541) (3)	14,683
Self-insurance reserves	18,027	67,419	(65,504) (4)	19,942

(1) Represents write-offs to the reserve.
(2) Represents the monthly increase (decrease) in the required reserve based on the Company's evaluation of anticipated merchandise returns.
(3) Represents the actual inventory shrinkage experienced at the time of physical inventories.
(4) Represents claim payments for self-insured claims.

18. Selected Quarterly Financial Data (Unaudited)

(amounts in thousands)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2019:				
Net sales	**$1,076,792**	**$1,237,410**	**$1,145,203**	**$1,370,492**
Gross margin	**312,996**	**385,204**	**362,422**	**370,532**
Selling, general and administrative expenses	**301,602**	**312,570**	**309,246**	**328,315**
Operating income	**11,394**	**72,634**	**53,176**	**42,217**
Interest expense, net	**27,037**	**25,549**	**24,585**	**24,136**
Gain on early retirement of debt, net	**(41,138)**	**(1,127)**	**—**	**—**
Net income	**$ 25,406**	**$ 48,347**	**$ 28,552**	**$ 17,738**
2018:				
Net sales	$1,119,480	$1,262,207	$1,060,188	$1,342,018
Gross margin	320,356	387,130	328,333	332,133
Selling, general and administrative expenses	295,278	317,164	300,195	326,365
Operating income	25,078	69,966	28,138	5,768
Interest expense, net	26,795	27,173	27,076	27,608
Net income (loss)	$ (976)	$ 42,103	$ 1,773	$ (21,458)

19. Subsequent Events

Our management evaluated events or transactions that occurred after February 1, 2020 through July 10, 2020. We identified the following matters to report:

The global outbreak of COVID-19, which was recently declared a global pandemic by the World Health Organization, has resulted in federal, state and local authority recommendations or requirements aimed at slowing the spread of the virus such as self-quarantining, avoiding large group gatherings, restricting travel and closing of certain businesses. These measures could potentially have a negative impact on our operations, from lower customer traffic and sales in our brick and mortar stores, to potential supply chain interruptions in our distribution centers and from our third party vendors. The situation is rapidly evolving, and as a result of unpredictability regarding the duration and severity of the pandemic, we cannot reasonably estimate its future impact to our business as of the date of this report. Due to this uncertainty, the Company borrowed $500 million under the Amended ABL Facility in March 2020 as a precautionary measure to ensure financial flexibility, and we subsequently repaid the entire $500 million outstanding balance under our Amended ABL Facility in June 2020.

On June 30, 2020, New Academy Holding Company, LLC purchased 100 shares of common stock from Academy Sports and Outdoors, Inc. for a purchase price per share equal to the par value per share of such shares, or $1 in the aggregate.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Academy Sports and Outdoors, Inc.

Opinion on the Financial Statement

We have audited the accompanying balance sheet of Academy Sports and Outdoors, Inc. (the "Company") as of June 30, 2020 and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of June 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit of the financial statement provides a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

July 10, 2020

We have served as the Company's auditor since 2020.

ACADEMY SPORTS AND OUTDOORS, INC.
BALANCE SHEET

	June 30, 2020
ASSETS	
Cash	$ 1
Total current assets	**$ 1**
STOCKHOLDER'S EQUITY	
Common Stock, par value $0.01 per share, 1,000 shares authorized, 100 shares issued and outstanding	$ 1
Total stockholder's equity	**$ 1**

The accompanying notes are an integral part of these financial statements.

ACADEMY SPORTS AND OUTDOORS, INC.
NOTES TO FINANCIAL STATEMENTS

1. Organization

Academy Sports and Outdoors, Inc., or the Corporation, was organized as a Delaware corporation on June 30, 2020. The Corporation's fiscal year represents the 52 or 53 weeks ending on the Saturday closest to January 31. Pursuant to a series of reorganization transactions, it is anticipated that the Corporation will be the parent of New Academy Holding Company, LLC, a Delaware limited liability company.

Following the anticipated reorganization transactions, the Corporation will continue to conduct the business now conducted by New Academy Holding Company, LLC and its subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Balance Sheet has been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. Separate statements of operations, changes in stockholders' equity and cash flows have not been presented in the financial statements because there have been no activities in this entity or because the single transaction is fully disclosed below.

3. Stockholder's Equity

The Corporation is authorized to issue 1,000 shares of Common Stock, par value $0.01 per share, under the Corporation's certificate of incorporation in effect as of June 30, 2020. In exchange for $1.00, the Corporation has issued 100 shares of Common Stock, all of which were held by New Academy Holding Company, LLC as of June 30, 2020.

4. Subsequent Events

Events and transactions occurring through July 10, 2020, the date of issuance of the financial statement, have been evaluated by management and, when appropriate, recognized or disclosed in the financial statements or notes to the consolidated financial statements.

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the expenses payable by the Registrant expected to be incurred in connection with the issuance and distribution of common stock being registered hereby (other than the underwriting discounts and commissions). All of such expenses are estimates, except for the Securities and Exchange Commission, or the SEC, registration fee, the Financial Industry Regulatory Authority Inc., or FINRA, filing fee and the Nasdaq listing fee.

(dollars in thousands)	
SEC registration fee	$ 12,980
FINRA filing fee	15,500
Nasdaq listing fee	*
Printing fees and expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses (including legal fees)	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Section 102(b)(7) of the Delaware General Corporation Law, or the DGCL, allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL, or Section 145, provides, among other things, that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. A Delaware corporation may indemnify any persons who were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests, provided further that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the

merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify such person under Section 145.

We expect to maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

Our amended and restated bylaws will provide that we must indemnify, and advance expenses to, our directors and officers to the full extent authorized by the DGCL. We also intend to enter into indemnification agreements with our directors, which agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise. Notwithstanding the foregoing, we shall not be obligated to indemnify a director or officer in respect of a proceeding (or part thereof) instituted by such director or officer, unless such proceeding (or part thereof) has been authorized by our board of directors pursuant to the applicable procedure outlined in the amended and restated bylaws.

Section 174 of the DGCL provides, among other things, that a director, who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held jointly and severally liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

The underwriting agreement provides for indemnification by the underwriters of us and our officers and directors, and by us of the underwriters, for certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Item 15. Recent Sales of Securities

Within the past three years, the Registrant has granted or issued the following securities of the Registrant which were not registered under the Securities Act.

On June 30, 2020, the Registrant issued 100 shares of the Registrant's common stock, par value $0.01 per share, to New Academy Holding Company, LLC for $1.00. The issuance of such shares of common stock was not registered under the Securities Act, because the shares were offered and sold in a transaction by the issuer not involving any public offering exempt from registration under Section 4(a)(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits.

See the Exhibit Index immediately preceding the signature pages hereto, which is incorporated by reference as if fully set forth herein.

(b) Financial Statement Schedules.

None

Item 17. Undertakings.

(1) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(2) The undersigned Registrant hereby undertakes that:

(A) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(B) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Table of Contents

EXHIBITS

Exhibit Number	Description
1.1**	Form of Underwriting Agreement.
3.1*	Form of Amended and Restated Certificate of Incorporation of the Registrant.
3.2*	Form of Amended and Restated Bylaws of the Registrant.
4.1**	Amended and Restated Registration Rights Agreement.
5.1**	Opinion of Simpson Thacher & Bartlett LLP.
10.1*	First Amended and Restated Credit Agreement, dated July 2, 2015, among Academy, Ltd., as Borrower, New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, the lending institutions from time to time party thereto and Morgan Stanley Senior Funding, Inc., as the Administrative Agent and the Collateral Agent.
10.2*	Amended and Restated Term Loan Security Agreement, dated as of July 2, 2015, among Academy, Ltd., as Borrower, each of the subsidiaries listed on the signature pages thereto, and Morgan Stanley Senior Funding, Inc., as collateral agent for the benefit of the secured parties.
10.3*	Amended and Restated Term Loan Pledge Agreement, dated as of July 2, 2015, among New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, Academy, Ltd., as Borrower, each of the subsidiaries listed on the signature pages thereto and Morgan Stanley Senior Funding, Inc., as collateral agent for the benefit of the secured parties.
10.4*	ABL Intercreditor Agreement, dated July 2, 2015, among JPMorgan Chase Bank, N.A., as agent for the ABL Secured Parties referred to therein, Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent for the Term Loan Secured Parties referred to therein, New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, Academy, Ltd., as Borrower, and each of the subsidiaries of the Borrower listed on the signature pages thereto.
10.5*	First Amended and Restated ABL Credit Agreement, dated July 2, 2015, among Academy, Ltd., as Borrower, New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, the lending institutions from time to time party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender.
10.6*	Amendment No. 1 to First Amended and Restated ABL Credit Agreement, dated as of May 22, 2018, among Academy, Ltd., as Borrower, New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, each of the Guarantors party thereto, each of the lenders party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender.
10.7*	Amended and Restated ABL Security Agreement, dated as of July 2, 2015, among Academy, Ltd., as Borrower, each of the subsidiaries listed on the signature pages thereto, and JPMorgan Chase Bank, N.A., as collateral agent for the benefit of the secured parties.
10.8*	Amended and Restated ABL Pledge Agreement, dated July 2, 2015, among New Academy Holding Company, LLC, as Holdings, Associated Investors L.L.C. and Academy Managing Co., L.L.C, as Texas Intermediate Holdcos, Academy, Ltd., as Borrower, each of the subsidiaries listed on the signature pages thereto and JPMorgan Chase Bank, N.A., as collateral agent for the benefit of the secured parties.

Exhibit Number	Description
10.9†**	2020 Omnibus Incentive Plan.
10.10†**	Form of Time-Based Option Agreement under 2020 Omnibus Incentive Plan.
10.11†**	Form of Non-Employee Director Restricted Stock Unit Agreement under 2020 Omnibus Incentive Plan.
10.12†**	Form of Performance-Based Restricted Stock Unit Agreement under 2020 Omnibus Incentive Plan.
10.13†*	2011 Unit Incentive Plan.
10.14†*	Form of 2020 CEO Option Agreement under 2011 Unit Incentive Plan.
10.15†*	Form of 2020 Executive Option Agreement under 2011 Unit Incentive Plan.
10.16†*	Form of 2019 CEO Option Agreement under 2011 Unit Incentive Plan.
10.17†*	Form of 2019 Executive Option Agreement under 2011 Unit Incentive Plan.
10.18†*	Form of 2018 CEO Option Agreement under 2011 Unit Incentive Plan.
10.19†*	Form of 2018 Executive Option Agreement under 2011 Unit Incentive Plan.
10.20†*	Form of 2017 Executive Option Agreement under 2011 Unit Incentive Plan.
10.21†*	Form of 2016 Executive Option Agreement under 2011 Unit Incentive Plan.
10.22†*	Form of August 2020 Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.23†*	Form of 2020 CEO Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.24†*	Form of 2020 Executive Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.25†*	Form of 2019 Executive Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.26†*	Form of 2018 CEO Restricted Unit Agreement under 2011 Unit Incentive Plan (as amended).
10.27†*	Form of Independent Non-Employee Director Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.28†*	Form of 2018 Executive Restricted Unit Agreement under 2011 Unit Incentive Plan.
10.29†*	Ken C. Hicks Employment Agreement, dated August 2, 2018.
10.30†*	Michael P. Mullican Employment Agreement, dated January 6, 2017 and amended on December 21, 2017.
10.31†*	Steven (Steve) P. Lawrence Employment Agreement, dated January 29, 2019.
10.32†*	Samuel (Sam) J. Johnson Employment Agreement, dated April 17, 2017.
10.33†*	Kenneth (Ken) D. Attaway Employment Agreement, dated July 1, 2009, as amended and restated on August 30, 2011 and further amended on August 6, 2012.
10.34**	Form of Stockholders Agreement.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Deloitte & Touche LLP (with respect to the financial statements of New Academy Holding Company, LLC).
23.2*	Consent of Deloitte & Touche LLP (with respect to the financial statements of Academy Sports and Outdoors, Inc.).
23.3**	Consent of Simpson Thacher & Bartlett LLP (included as part of Exhibit 5.1).
24.1*	Power of Attorney (included on signature pages to this Registration Statement).

* Filed herewith.
** To be filed by amendment.
† Compensatory arrangements for director(s) and/or executive officer(s).

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Katy, Texas, on September 9, 2020.

Academy Sports and Outdoors, Inc.

By: /s/ Ken C. Hicks
Name: Ken C. Hicks
Title: Chairman, President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ken C. Hicks, Michael P. Mullican and Rene G. Casares and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign in any and all capacities (including, without limitation, the capacities listed below), the registration statement, any and all amendments (including post-effective amendments) to the registration statement and any and all successor registration statements of the Registrant, including any filings pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and anything necessary to be done to enable the Registrant to comply with the provisions of the Securities Act and all the requirements of the Securities and Exchange Commission, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute, or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on September 9, 2020:

Signatures	Title
/s/ Ken C. Hicks Ken C. Hicks	Chairman, President and Chief Executive Officer (principal executive officer)
/s/ Michael P. Mullican Michael P. Mullican	Executive Vice President and Chief Financial Officer (principal financial officer)
/s/ Heather A. Davis Heather A. Davis	Vice President, Controller (principal accounting officer)
/s/ Brian T. Marley Brian T. Marley	Director
/s/ Vishal V. Patel Vishal V. Patel	Director
/s/ William S. Simon William S. Simon	Director

Table of Contents

Signatures	Title
/s/ Nathaniel H. Taylor Nathaniel H. Taylor	Director
/s/ Aileen X. Yan Aileen X. Yan	Director

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

ACADEMY SPORTS AND OUTDOORS, INC.

*** * * * ***

The present name of the corporation is Academy Sports and Outdoors, Inc. (the "Corporation"). The Corporation was incorporated under its present name by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on June 30, 2020 (the "Original Certificate of Incorporation"). This Amended and Restated Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the "Amended and Restated Certificate of Incorporation"), which restates and integrates and also further amends the provisions of the Original Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware. The Original Certificate of Incorporation is hereby amended, integrated and restated in its entirety to read as follows:

ARTICLE I

NAME

The name of the Corporation is Academy Sports and Outdoors, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (as the same exists or may hereafter be amended from time to time, the "DGCL").

ARTICLE IV

CAPITAL STOCK

The total number of shares of all classes of stock that the Corporation shall have authority to issue is , which shall be divided into two classes as follows:

shares of common stock, par value $0.01 per share ("Common Stock"); and

shares of preferred stock, par value $0.01 per share ("Preferred Stock").

I. ***Capital Stock***.

A. Common Stock and Preferred Stock may be issued from time to time by the Corporation for such consideration as may be fixed by the Board of Directors of the Corporation (the "Board of Directors"). The Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval, the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock and the number of shares of such series, which number the Board of Directors may, except where otherwise provided in the designation of such series, increase (but not above the total number of authorized shares of Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) and as may be permitted by the DGCL. The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time outstanding.

B. Each holder of record of Common Stock, as such, shall have one vote for each share of Common Stock which is outstanding in his, her or its name on the books of the Corporation on all matters on which stockholders are entitled to vote generally. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

C. Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights, if any, as shall expressly be granted thereto by this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to such series of Preferred Stock).

D. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends, dividends may be declared and paid ratably on the Common Stock out of the assets of the Corporation which are legally available for this purpose at such times and in such amounts as the Board of Directors in its discretion shall determine.

E. Upon the dissolution, liquidation or winding up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

F. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

ARTICLE V

AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. For so long as KKR (as defined below) beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, by the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class. Notwithstanding anything contained in this Amended and Restated Certificate of Incorporation to the contrary, at any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, the following provisions in this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X. For the purposes of this Amended and Restated Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

B. The Board of Directors is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the amended and restated bylaws of the Corporation (as in effect from time to time, the "Bylaws") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation. For so long as KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith. Notwithstanding anything to the contrary contained in this Amended and

Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote of the stockholders, at any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

BOARD OF DIRECTORS

A. Except as otherwise provided in this Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors and subject to the applicable requirements of the Stockholders Agreement (as defined below), the total number of directors constituting the whole Board of Directors shall be determined from time to time exclusively by resolution adopted by the Board of Directors. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "IPO Date"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. At each succeeding annual meeting, successors to the class of directors whose term expires at that annual meeting shall be elected for a term expiring at the third succeeding annual meeting of stockholders. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Subject to the terms of the Stockholders Agreement, any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her earlier death, resignation, retirement, disqualification or removal from office. The Board of Directors is authorized to assign members of the Board of Directors already in office prior to the IPO Date to their respective class.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding or the rights granted pursuant to the Stockholders Agreement, dated as of , 2020 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Stockholders Agreement"), by and among the Corporation, and certain affiliates of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates and subsidiaries and its and their successors and assigns (other than the Corporation and its subsidiaries), collectively, "KKR"), any newly created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring on the Board of Directors (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by a majority of the directors then in office (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be), even if less than a quorum, by any sole remaining director or by the stockholders; *provided*, *however*, that at any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any newly created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring in the Board of Directors shall, unless otherwise required by law or by resolution of the Board of Directors, be filled only by a majority of the directors then in office (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be), even if less than a quorum, or by any such sole remaining director (and not by the stockholders). Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

C. Subject to rights granted to KKR under the Stockholders Agreement, any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) may be removed at any time either with or without cause by the affirmative vote of a majority in voting power of all outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class; *provided*, *however*, that at any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any such director or all such directors may be removed only for cause and only by the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

ARTICLE VII

LIMITATION OF DIRECTOR LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

CONSENT OF STOCKHOLDERS IN LIEU OF MEETING, ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. At any time when KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable procedures of the DGCL. At any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; *provided*, *however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board of Directors or the Chairman of the Board of Directors; *provided*, *however*, that at any time when KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by or at the direction of the Board of Directors or the Chairman of the Board of Directors at the request of KKR.

C. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by resolution of the Board of Directors or a duly authorized committee thereof.

ARTICLE IX

COMPETITION AND CORPORATE OPPORTUNITIES

A. In recognition and anticipation that (i) certain directors, principals, members, officers, associated funds, employees and/or other representatives of KKR and its Affiliates may serve as directors, officers or agents of the Corporation, (ii) KKR and its Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board of Directors who are not employees of the Corporation ("Non-Employee Directors") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve KKR, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith, subject to the provisions set out in the Stockholders Agreement.

B. None of (i) KKR or any of its Affiliates or (ii) any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both his or her director and officer capacities) or his or her Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section (D) of this Article IX. Subject to said Section (D) of this Article IX, in the event that any Identified Person acquires knowledge of a potential transaction or other matter or business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no fiduciary duty or other duty (contractual or otherwise) to communicate, present or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty or other duty (contractual or otherwise) as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, offers or directs such corporate opportunity to another Person, or does not present such corporate opportunity to the Corporation or any of its Affiliates.

C. The Corporation and its Affiliates do not have any rights in and to the business ventures of any Identified Person, or the income or profits derived therefrom, and the Corporation agrees that each of the Identified Persons may do business with any potential or actual customer or supplier of the Corporation or may employ or otherwise engage any officer or employee of the Corporation.

D. The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of this Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation, and the provisions of Section (B) of this Article IX shall not apply to any such corporate opportunity.

E. In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

F. For purposes of this Article IX, (i) "Affiliate" shall mean (a) in respect of KKR, any Person that, directly or indirectly, is controlled by KKR, controls KKR, or is under common control with KKR, and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any Person that is controlled by the Corporation), (b) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (c) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) "Person" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

G. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX. Neither the alteration, amendment, addition to or repeal of this Article IX, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) inconsistent with this Article IX, shall eliminate or reduce the effect of this Article IX in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article IX, would accrue or arise, prior to such alteration, amendment, addition, repeal or adoption.

ARTICLE X

DGCL SECTION 203 AND BUSINESS COMBINATIONS

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

1. prior to such time, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

2. upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

3. at or subsequent to such time, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66⅔% of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

C. For purposes of this Article X, references to:

1. "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

2. "associate," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

3. "KKR Direct Transferee" means any person that acquires (other than in a registered public offering or through a broker's transaction executed on any securities exchange or other over-the-counter market) directly from any of KKR or its affiliates or successors or any "group," or any member of any such group, of which such persons are a party under Rule 13d-5 of the Exchange Act beneficial ownership of 5% or more of the then-outstanding voting stock of the Corporation.

4. "KKR Indirect Transferee" means any person that acquires (other than in a registered public offering or through a broker's transaction executed on any securities exchange or other over-the-counter market) directly from any KKR Direct Transferee or any other KKR Indirect Transferee beneficial ownership of 5% or more of the then-outstanding voting stock of the Corporation.

5. "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section (B) of this Article X is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; *provided*, *however*, that in no case under items (c)-(e) of this subsection (iii) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(v) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i)-(iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

6. "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

7. "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the affiliates and associates of such person; but "interested stockholder" shall not include or be deemed to include, in any case, (a) KKR, any KKR Direct Transferee, any KKR Indirect Transferee or any of their respective affiliates or successors or any "group," or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act, or (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation, *provided* that such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the

Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

8. "owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

   (i) beneficially owns such stock, directly or indirectly; or

   (ii) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided*, *however*, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; *provided*, *however*, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

   (iii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

9. "person" means any individual, corporation, partnership, unincorporated association or other entity.

10. "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

11. "voting stock" means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE XI

MISCELLANEOUS

A. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

B. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, (iii) any action asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine; *provided*, that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI(B).

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, Academy Sports and Outdoors, Inc. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this day of , 2020.

Academy Sports and Outdoors, Inc.

By: _____
Name: Rene G. Casares
Title: Senior Vice President, General Counsel and Secretary

[Signature Page to Amended and Restated Certificate of Incorporation]

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

ACADEMY SPORTS AND OUTDOORS, INC.

ARTICLE I

Offices

SECTION 1.01 Registered Office. The registered office and registered agent of Academy Sports and Outdoors, Inc. (the "Corporation") in the State of Delaware shall be as set forth in the Amended and Restated Certificate of Incorporation (as defined below). The Corporation may also have offices in such other places in the United States or elsewhere (and may change the Corporation's registered agent) as the Board of Directors of the Corporation (the "Board of Directors") may, from time to time, determine or as the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 2.01 Annual Meetings. Annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors shall determine and state in the notice of meeting. The Board of Directors may, in its sole discretion, determine that annual meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Amended and Restated Bylaws in accordance with Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

SECTION 2.02 Special Meetings. Special meetings of the stockholders may only be called in the manner provided in the Corporation's amended and restated certificate of incorporation as then in effect (as the same may be amended and/or restated from time to time, the "Amended and Restated Certificate of Incorporation") and may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors or the Chairman of the Board of Directors shall determine and state in the notice of meeting. The Board of Directors may, in its sole discretion, determine that special meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Amended and Restated Bylaws in accordance with Section 211(a)(2) of the DGCL. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors or the Chairman of the Board of Directors; *provided*, *however*, that with respect to any special meeting of stockholders previously scheduled by the Board of Directors or the Chairman of the Board of Directors at the request of KKR (as defined in the Amended and Restated Certificate of Incorporation), the Board of Directors shall not postpone, reschedule or cancel such special meeting without the prior written consent of KKR.

SECTION 2.03 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) as provided in the Stockholders Agreement (as defined in the Amended and Restated Certificate of Incorporation) (with respect to nominations of persons for election to the Board of Directors only), (b) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 of Article II of these Amended and Restated Bylaws, (c) by or at the direction of the Board of Directors or any authorized committee thereof or (d) by any stockholder of the Corporation who is entitled to vote at the meeting, who, subject to paragraph (C)(4) of this Section 2.03, complied with the notice procedures set forth in paragraphs (A)(2) and (A)(3) of this Section 2.03 and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (d) of paragraph (A)(1) of this Section 2.03, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and, in the case of business other than nominations of persons for election to the Board of Directors, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the date of the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after shares of its Common Stock (as defined in the Amended and Restated Certificate of Incorporation) are first publicly traded, be deemed to have occurred on June 30, 2020); *provided, however*, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed by more than seventy (70) days from the anniversary date of the previous year's meeting, or, following the Corporation's first annual meeting of stockholders after shares of its Common Stock are first publicly traded, if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred and twentieth (120) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement (as defined below) of the date of such meeting is first made by the Corporation. Public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice. Notwithstanding anything in this Section 2.03(A)(2) to the contrary, if the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) calendar days prior to the first anniversary of the prior year's annual meeting of stockholders, then a stockholder's notice required by this Section 2.03 shall be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary of the Corporation not later than the close of business on the tenth (10th) calendar day following the day on which such public announcement is first made by the Corporation.

(3) A stockholder's notice delivered pursuant to this Section 2.03 shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these Amended and Restated Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation that are owned, directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of the stock of the Corporation at the time of the giving of the notice, will be entitled to vote at such meeting and will appear in person or by proxy at the meeting to propose such business or nomination, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group that will (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with (x) the stockholder's and/or beneficial owner's acquisition of shares of capital stock or other securities of the Corporation and/or the stockholder's and/or (y) the beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; (d) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, "proponent persons"); and (e) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) to which any proponent person is a party, the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, (ii) to increase or decrease the

voting power of any proponent person with respect to shares of any class or series of stock of the Corporation and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation. A stockholder providing notice of a proposed nomination for election to the Board of Directors or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (A)(3) or paragraph (B) of this Section 2.03) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the meeting and (y) as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof, *provided* that if the record date for determining the stockholders entitled to vote at the meeting is less than fifteen (15) days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or adjournment or postponement thereof) and not later than five (5) days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the date prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than fifteen (15) days prior to the date of the meeting or any adjournment or postponement thereof). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such director under the Exchange Act and rules and regulations thereunder and applicable stock exchange rules.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) as provided in the Stockholders Agreement, (2) by or at the direction of the Board of Directors or any committee thereof or (3) provided that the Board of Directors (or KKR pursuant to Section B of Article VIII of the Amended and Restated Certificate of Incorporation) has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote at the meeting, who (subject to paragraph (C)(4) of this Section 2.03) complies with the notice procedures set forth in this Section 2.03 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by paragraph (A)(2) of this Section 2.03 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the

ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Except as provided in paragraph (C)(4) of this Section 2.03, only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 or the Stockholders Agreement shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.03. Except as otherwise provided by the DGCL, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, the chairman of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the meeting, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Amended and Restated Bylaws and, if any proposed nomination or business is not in compliance with these Amended and Restated Bylaws, to declare that such defective proposal or nomination shall be disregarded. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by the DGCL, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(2) Whenever used in these Amended and Restated Bylaws, "public announcement" shall mean disclosure (a) in a press release released by the Corporation, *provided* such press release is released by the Corporation following its customary procedures, is reported by the Dow Jones News Service, Associated Press or comparable national news service, or is generally available on internet news sites, or (b) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 2.03, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; *provided, however*, that, to the fullest extent permitted by law, any references in these Amended and Restated Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Amended and Restated Bylaws (including paragraphs (A)(1)(d) and (B) of this Section 2.03), and compliance with paragraphs (A)(1)(d) and (B) of this Section 2.03 shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in these Amended and Restated Bylaws shall be deemed to affect any rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances.

(4) Notwithstanding anything to the contrary contained in this Section 2.03, for as long as (i) the Stockholders Agreement remains in effect with respect to KKR and/or (ii) KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, KKR (to the extent then subject to the Stockholders Agreement) shall not be subject to the notice procedures set forth in paragraphs (A)(2), (A)(3) or (B) of this Section 2.03 with respect to any annual or special meeting of stockholders.

SECTION 2.04 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

SECTION 2.05 Quorum. Unless otherwise required by law, the Amended and Restated Certificate of Incorporation or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on that matter. Once a quorum is present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

SECTION 2.06 Voting. Except as otherwise provided by or pursuant to the provisions of the Amended and Restated Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder that has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided under Section 212(c) of the DGCL or as otherwise provided by applicable law, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Unless required by the Amended and Restated Certificate of Incorporation or applicable law, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of stock present in person or represented by proxy and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Amended and Restated Certificate of Incorporation or of these Amended and Restated Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing sentence and subject to the Amended and Restated Certificate of Incorporation, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

SECTION 2.07 Chairman of Meetings. The Chairman of the Board of Directors, if one is elected, or, in his or her absence or disability, the Chief Executive Officer of the Corporation, or in the absence of the Chairman of the Board of Directors and the Chief Executive Officer, a person designated by the Board of Directors shall be the chairman of the meeting and, as such, preside at all meetings of the stockholders.

SECTION 2.08 Secretary of Meetings. The Secretary of the Corporation shall act as secretary at all meetings of the stockholders. In the absence or disability of the Secretary, the Chairman of the Board of Directors, the Chief Executive Officer or the chairman of the meeting shall appoint a person to act as secretary at such meetings.

SECTION 2.09 Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Amended and Restated Certificate of Incorporation and in accordance with applicable law.

SECTION 2.10 Adjournment. At any meeting of stockholders of the Corporation, if less than a quorum be present, the chairman of the meeting or stockholders holding a majority in voting power of the outstanding shares of stock of the Corporation, present in person or by proxy and entitled to vote thereat, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

SECTION 2.11 Remote Communication. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(A) participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, *provided*, that

(1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder;

(2) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(3) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

SECTION 2.12 Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 2.13 Delivery to the Corporation. Whenever this Article II requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered. For the avoidance of doubt, the Corporation expressly opts out of Section 116 of the DGCL with respect the delivery of information and documents to the Corporation required by this Article II.

ARTICLE III

Board of Directors

SECTION 3.01 Powers. Except as otherwise provided in the Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors or as provided in the Stockholders Agreement. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by the DGCL or the Amended and Restated Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 3.02 Number and Term; Chairman. Subject to the Amended and Restated Certificate of Incorporation and the Stockholders Agreement, the number of directors shall be fixed exclusively by resolution of the Board of Directors. Directors shall be elected by the stockholders at their annual meeting, and the term of each director so elected shall be as set forth in the Amended and Restated Certificate of Incorporation. Directors need not be stockholders. The Board of Directors shall elect a Chairman of the Board of Directors, who shall

have the powers and perform such duties as provided in these Amended and Restated Bylaws and as the Board of Directors may from time to time prescribe. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors at which he or she is present. If the Chairman of the Board of Directors is not present at a meeting of the Board of Directors, the Chief Executive Officer (if the Chief Executive Officer is a director and is not also the Chairman of the Board of Directors) shall preside at such meeting, and, if the Chief Executive Officer is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one of their members to preside over such meeting.

SECTION 3.03 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Corporation. The resignation shall take effect at the time or upon the happening of any event specified therein, and if no specification is so made, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

SECTION 3.04 Removal. Directors of the Corporation may be removed in the manner provided in the Amended and Restated Certificate of Incorporation, the Stockholders Agreement and applicable law.

SECTION 3.05 Vacancies and Newly Created Directorships. Except as otherwise provided by applicable law and subject to the Stockholders Agreement, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Amended and Restated Certificate of Incorporation. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

SECTION 3.06 Meetings. Regular meetings of the Board of Directors may be held at such places and times as shall be determined from time to time by the Board of Directors. Special meetings of the Board of Directors may be called by the Chief Executive Officer of the Corporation or the Chairman of the Board of Directors or as provided by the Amended and Restated Certificate of Incorporation, and shall be called by the Chief Executive Officer or the Secretary of the Corporation if directed by a majority of directors then in office and shall be at such places and times as they or he or she shall fix. Special meetings of the Board of Directors may be also called by KKR at any time when KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, and shall be at such places and times as KKR shall fix. Notice need not be given of regular meetings of the Board of Directors. At least twenty-four (24) hours before each special meeting of the Board of Directors, either written notice, notice by electronic transmission or oral notice (either in person or by telephone) notice of the time, date and place of the meeting shall be given to each director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 3.07 Quorum, Voting and Adjournment. Except as otherwise provided by the DGCL, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, a majority of the total number of directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

SECTION 3.08 Committees; Committee Rules. The Board of Directors may designate one or more committees, including but not limited to an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, each such committee to consist of one or more of the directors of the Corporation, subject to the terms of the Stockholders Agreement. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any Bylaw of the Corporation. All committees of the Board of Directors shall keep minutes of their meetings and shall report their proceedings to the Board of Directors when requested or required by the Board of Directors. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.09 Action Without a Meeting. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed in the minutes of the proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.10 Remote Meeting. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

SECTION 3.11 Compensation. The Board of Directors shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 3.12 Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

Officers

SECTION 4.01 Number. The officers of the Corporation shall include any officers required by the DGCL, each of whom shall be elected by the Board of Directors and who shall hold office for such terms as shall be determined by the Board of Directors and until their successors are elected and qualify or until their earlier resignation or removal. In addition, the Board of Directors may elect a Chief Executive Officer, a President, one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents, a Treasurer, a Secretary, one or more Assistant Treasurers and one or more Assistant Secretaries, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.

SECTION 4.02 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise and perform such powers and duties as shall be determined from time to time by the Board of Directors. The Board of Directors may appoint one or more officers called a Vice Chairman of the Board of Directors, each of whom must be a member of the Board of Directors.

SECTION 4.03 Chief Executive Officer/President. The Chief Executive Officer, who may also be the President, subject to the determination of the Board of Directors, shall have general executive charge, management, and control of the properties and operations of the Corporation in the ordinary course of its business, with all such powers with respect to such properties and operations as may be reasonably incident to such responsibilities. If the Board of Directors has not elected a Chairman of the Board of Directors or in the absence or inability to act as the Chairman of the Board of Directors, the Chief Executive Officer shall exercise all of the powers and discharge all of the duties of the Chairman of the Board of Directors, but only if the Chief Executive Officer is a director of the Corporation.

SECTION 4.04 Vice Presidents. Each Vice President, if any are appointed, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him or her by the Chief Executive Officer or the Board of Directors.

SECTION 4.05 Treasurer. The Treasurer, if any is appointed, shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors or its designees selected for such purposes. The Treasurer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Treasurer shall render to the Chief Executive Officer and the Board of Directors, upon their request, a report of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board of Directors shall prescribe.

In addition, the Treasurer shall have such further powers and perform such other duties incident to the office of Treasurer as from time to time are assigned to him or her by the Chief Executive Officer or the Board of Directors.

SECTION 4.06 Secretary. The Secretary shall: (a) cause minutes of all meetings of the stockholders and directors to be recorded and kept properly; (b) cause all notices required by these Amended and Restated Bylaws or otherwise to be given properly; (c) see that the minute books, stock books, and other nonfinancial books, records and papers of the Corporation are kept properly; and (d) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required. The Secretary shall have such further powers and perform such other duties as prescribed from time to time by the Chief Executive Officer or the Board of Directors.

SECTION 4.07 Assistant Treasurers and Assistant Secretaries. Each Assistant Treasurer and each Assistant Secretary, if any are appointed, shall be vested with all the powers and shall perform all the duties of the Treasurer and Secretary, respectively, in the absence or disability of such officer, unless or until the Chief Executive Officer or the Board of Directors shall otherwise determine. In addition, Assistant Treasurers and Assistant Secretaries shall have such powers and shall perform such duties as shall be assigned to them by the Chief Executive Officer or the Board of Directors.

SECTION 4.08 Corporate Funds and Checks. The funds of the Corporation shall be kept in such depositories as shall from time to time be prescribed by the Board of Directors or its designees selected for such purposes. All checks or other orders for the payment of money shall be signed by the Chief Executive Officer, a Vice President, the Treasurer or the Secretary or such other person or agent as may from time to time be authorized and with such countersignature, if any, as may be required by the Board of Directors.

SECTION 4.09 Contracts and Other Documents. The Chief Executive Officer and the Secretary, or such other officer or officers as may from time to time be authorized by the Board of Directors, any committee given specific authority in the premises by the Board of Directors, or the Chief Executive Officer during the intervals between the meetings of the Board of Directors, shall have power to sign and execute on behalf of the Corporation deeds, conveyances and contracts, and any and all other documents requiring execution by the Corporation.

SECTION 4.10 Ownership of Stock of Another Corporation. Unless otherwise directed by the Board of Directors, the Chief Executive Officer, a Vice President, the Treasurer or the Secretary, or such other officer or agent as shall be authorized by the Board of Directors, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

SECTION 4.11 Delegation of Duties. In the absence, disability or refusal of any officer to exercise and perform his or her duties, the Board of Directors may delegate to another officer such powers or duties.

SECTION 4.12 Resignation and Removal. Any officer of the Corporation may be removed from office for or without cause at any time by the Board of Directors. Any officer may resign at any time in the same manner prescribed under Section 3.03 of these Amended and Restated Bylaws.

SECTION 4.13 Vacancies. The Board of Directors shall have the power to fill vacancies occurring in any office.

ARTICLE V

Stock

SECTION 5.01 Shares With Certificates. The shares of stock of the Corporation shall be represented by certificates, *provided* that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers of the Corporation (it being understood that each of the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the Chief Executive Officer, a President, the Chief Financial Officer, a Vice President, the Treasurer, an Assistant Treasurer, the Secretary and an Assistant Secretary of the Corporation shall be an authorized officer for such purpose). Any or all of the signatures on the certificate may be a facsimile or other electronic signature. The Board of Directors shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.

SECTION 5.02 Shares Without Certificates. If the Board of Directors chooses to issue shares of stock without certificates, the Corporation, if required by the DGCL, shall, within a reasonable time after the issue or transfer of shares without certificates, give a notice to the registered owner thereof containing the information required to be set forth or stated on stock certificates by the applicable provisions of the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, *provided* the use of such system by the Corporation is permitted in accordance with applicable law.

SECTION 5.03 Transfer of Shares. Shares of stock of the Corporation shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, in the manner prescribed by law, the Amended and Restated Certificate of Incorporation and in these Amended and Restated Bylaws, upon surrender to the Corporation by delivery thereof (to the extent evidenced by a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of capital stock of the Corporation that are not represented by a certificate shall be transferred in accordance with any procedures adopted by the Corporation or its agents and applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares requested to be transferred, both the transferor and transferee request the Corporation to do so. The Board of Directors shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates representing shares of stock of the Corporation and uncertificated shares.

SECTION 5.04 Lost, Stolen, Destroyed or Mutilated Certificates. A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

SECTION 5.05 List of Stockholders Entitled To Vote. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the

number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of meeting, or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders.

SECTION 5.06 Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (a) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (b) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

SECTION 5.07 Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

Notice and Waiver of Notice

SECTION 6.01 Notice.

(A) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws may be given in writing directed to the stockholder's mailing address (or by electronic transmission directed to the stockholder's electronic mail address, as applicable) as it appears on the records of the Corporation. Notice shall be given (i) if mailed, when deposited in the United States mail, (ii) if delivered by courier service, the earlier of when the notice is received or left at the stockholder's address, or (iii) if given by electronic mail, when directed to such stockholder's electronic mail address (unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by the DGCL to be given by electronic transmission). A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation. A notice by electronic mail will include any files attached thereto and any information hyperlinked to a website if such electronic mail includes the contact information of an officer or agent of the Corporation who is available to assist with accessing such files or information. Any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws provided by means of electronic transmission (other than any such notice given by electronic mail) may only be given in a form consented to by such stockholder, and any such notice by such means of electronic transmission shall be deemed to be given as provided by the DGCL.

(B) Except as otherwise provided herein or permitted by applicable law, notices to any director may be in writing and delivered personally or mailed to such director at such director's address appearing on the books of the Corporation, or may be given by telephone or by any means of electronic transmission (including, without limitation, electronic mail) directed to an address for receipt by such director of electronic transmissions appearing on the books of the Corporation.

(C) Without limiting the manner by which notice otherwise may be given effectively to stockholders, and except as prohibited by applicable law, any notice to stockholders given by the Corporation under any provision of applicable law, the Amended and Restated Certificate of Incorporation, or these Amended and Restated Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within sixty (60) days of having been given written notice by the Corporation of its intention to send the single notice permitted under this Section 6.01(C), shall be deemed to have consented to receiving such single written notice.

SECTION 6.02 Waiver of Notice. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Indemnification

SECTION 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the

Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, if permitted, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided, however*, that, except as provided in Section 7.03 of these Amended and Restated Bylaws with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

Any reference to an officer of the Corporation in this Article VII shall be deemed to refer exclusively to the Chief Executive Officer, President, Chief Financial Officer, General Counsel, Treasurer and Secretary of the Corporation appointed pursuant to Article IV of these Bylaws, and to any Vice President, Assistant Secretary, Assistant Treasurer or other officer of the Corporation appointed by the Board of Directors pursuant to Article IV of these Bylaws, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, but not an officer thereof as described in the preceding sentence, has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article VII.

SECTION 7.02 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.01, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03 (hereinafter an "advancement of expenses"); *provided, however*, that, if the DGCL requires or in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified or entitled to advancement of expenses under Sections 7.01 and 7.02 or otherwise.

SECTION 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or 7.02 of these Amended and Restated Bylaws is not paid in full by the Corporation within (a) sixty (60) days after a written claim for indemnification has been received by the Corporation or (b) twenty (20) days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL, and in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

SECTION 7.04 Indemnification Not Exclusive.

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee’s capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(B) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws of the Corporation (or any other agreement between the Corporation and such persons, including the Stockholders Agreement, as applicable) in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Any obligation on the part of any indemnitee-related entities to indemnify or advance expenses to any indemnitee shall be secondary to the Corporation's obligation and shall be reduced by any amount that the indemnitee may collect as indemnification or advancement from the Corporation. The Corporation irrevocably waives, relinquishes and releases the indemnitee-related entities from any and all claims it may have against the indemnitee-related entities for contribution, subrogation or any other recovery of any kind in respect thereof. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(B) of Article VII, entitled to enforce this Section 7.04(B) of Article VII.

For purposes of this Section 7.04(B) of Article VII, the following terms shall have the following meanings:

(1) The term "indemnitee-related entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation (other than as a result of obligations under an insurance policy) .

(2) The term "jointly indemnifiable claims" shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to Delaware law or other comparable governing law, or any agreement or certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or other comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

SECTION 7.05 Corporate Obligations; Reliance. The rights granted pursuant to the provisions of this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

SECTION 7.06 Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 7.07 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Electronic Transmission, etc. For purposes of these Amended and Restated Bylaws, "electronic transmission," "electronic mail," and "electronic mail address" shall have the meanings ascribed thereto in the DGCL.

SECTION 8.02 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

SECTION 8.03 Fiscal Year. The fiscal year of the Corporation shall end on the Saturday closest to January 31 of each year (which Saturday may occur on a date following January 31), or such other day as the Board of Directors may designate.

SECTION 8.04 Section Headings; Section References. Section headings in these Amended and Restated Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein. Except as otherwise indicated, section references herein refer to sections of these Amended and Restated Bylaws.

SECTION 8.05 Inconsistent Provisions. In the event that any provision of these Amended and Restated Bylaws is or becomes inconsistent with any provision of the Amended and Restated Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Amended and Restated Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX

Amendments

SECTION 9.01 Amendments. The Board of Directors is authorized to make, repeal, alter, amend and rescind, in whole or in part, these Amended and Restated Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or the Amended and Restated Certificate of Incorporation. For so long as KKR beneficially owns, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by the Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Amended and Restated Certificate of Incorporation)), by these Amended and Restated Bylaws or applicable law, the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Amended and Restated Bylaws or to adopt any provision inconsistent therewith. Notwithstanding any other provisions of these Amended and Restated Bylaws or any provision of law that might otherwise permit a lesser vote of the stockholders, at any time when KKR beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by the Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Amended and Restated Certificate of Incorporation)), these Amended and Restated Bylaws or applicable law, the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Amended and Restated Bylaws (including, without limitation, this Section 9.01) or to adopt any provision inconsistent herewith.

[*Remainder of Page Intentionally Left Blank*]

Exhibit 10.1

Execution Version

FIRST AMENDED AND RESTATED CREDIT AGREEMENT

dated as of July 2, 2015

among

ACADEMY, LTD.,
as the Borrower,

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings,

ASSOCIATED INVESTORS L.L.C.,
and
ACADEMY MANAGING CO., L.L.C.,
as Texas Intermediate Holdcos

The Several Lenders
from Time to Time Parties Hereto,

MORGAN STANLEY SENIOR FUNDING, INC.,
as the Administrative Agent and Collateral Agent,

and

MORGAN STANLEY SENIOR FUNDING, INC.,
KKR CAPITAL MARKETS LLC,
GOLDMAN SACHS BANK USA,
CREDIT SUISSE SECURITIES (USA) LLC,
BARCLAYS BANK PLC,
J.P. MORGAN SECURITIES LLC,
MIZUHO BANK, LTD.

and

WELLS FARGO SECURITIES, LLC
as Joint Lead Arrangers and Bookrunners

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

FIRST AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDED AND RESTATED CREDIT AGREEMENT, dated as of July 2, 2015, among ACADEMY, LTD., a Texas limited partnership (the "**Borrower**"), NEW ACADEMY HOLDING COMPANY, LLC, a Delaware limited liability company, and ASSOCIATED INVESTORS L.L.C. and ACADEMY MANAGING CO., L.L.C., as Texas Intermediate Holdcos, the lending institutions from time to time parties hereto (each a "**Lender**" and, collectively, the "**Lenders**") and MORGAN STANLEY SENIOR FUNDING, INC., as the Administrative Agent and the Collateral Agent (such terms and each other capitalized term used but not defined in this preamble having the meaning provided in Section 1).

WHEREAS, the Borrower, certain of the Lenders and Morgan Stanley Senior Funding, Inc., as administrative agent for such lenders, are parties to the Existing Term Loan Facility (defined below) pursuant to which certain term loans have been made available to the Borrower and the Borrower has requested to amend and restate the Existing Term Loan Facility in its entirety;

WHEREAS, in connection with the foregoing, the Borrower has requested that the Lenders extend credit in the form of Initial Term Loans to the Borrower on the Restatement Effective Date, in an aggregate principal amount of $1,825,000,000.

WHEREAS, it is intended that the Borrower will enter into an asset-based revolving credit facility established pursuant to the ABL Credit Documents (the "**ABL Facility**") with commitments of up to $650,000,000;

WHEREAS, the proceeds of the Initial Term Loans will be used, together with any net proceeds of borrowings by the Borrower under the ABL Facility on the Restatement Effective Date, to consummate the Restatement Effective Date Refinancing, to pay the Special Dividend and to pay Transaction Expenses; and

WHEREAS, the Lenders are willing to make available to the Borrower such term loan upon the terms and subject to the conditions set forth herein;

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

Section 1. Definitions

1.1 Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"**ABL Administrative Agent**" shall have the meaning assigned to the term "Administrative Agent" in the ABL Credit Agreement.

"**ABL Credit Agreement**" shall mean the Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, the other borrowers party thereto, the lenders party thereto and the ABL Administrative Agent.

"**ABL Credit Documents**" shall mean the ABL Credit Agreement and each other document executed in connection therewith or pursuant thereto.

"**ABL Cure Amount**" shall have the meaning assigned to the term "Cure Amount" in the ABL Credit Agreement.

"**ABL Facility**" shall have the meaning provided in the recitals to this Agreement.

"**ABL Financial Covenant Default**" shall mean any breach or violation of any financial maintenance covenant in the ABL Facility.

"**ABL Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit H (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) between the Collateral Agent and the collateral agent under the ABL Facility.

"**ABL Loans**" shall have the meaning provided to the term "Loans" in the ABL Credit Agreement and any modification, replacement, refinancing, refunding, renewal, or extension thereof.

"**ABR**" shall mean for any day a fluctuating rate per annum equal to the highest of (i) the Federal Funds Effective Rate *plus* 1/2 of 1%, (ii) the rate of interest in effect for such day as determined from time to time by the Administrative Agent as its "prime rate" at its principal office in New York City, and (iii) the Adjusted LIBOR Rate (which rate shall be calculated based on an Interest Period of one month as of such date) *plus* 1%; provided that, notwithstanding the foregoing, in no event shall the ABR applicable to the Initial Term Loans at any time be less than 2.00% per annum. Any change in the ABR due to a change in such rate determined by the Administrative Agent or in the Federal Funds Effective Rate or Adjusted LIBOR Rate shall take effect at the opening of business on the day of such change.

"**ABR Loan**" shall mean each Loan bearing interest based on the ABR.

"**Acquired EBITDA**" shall mean, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a "**Pro Forma Entity**") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and the Restricted Subsidiaries therein were to such Pro Forma Entity and its Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in accordance with GAAP.

"**Acquired Entity or Business**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Acquired Indebtedness**" shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary, of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary, of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Initial Term Commitment**" means, with respect to an Additional Initial Term Lender, the commitment of such Additional Initial Term Lender to make an Additional Initial Term Loan on the Restatement Effective Date in the aggregate principal amount set forth on Schedule 1.1(b).

"**Additional Initial Term Lender**" means each Lender set forth on Schedule 1.1(b) with an Additional Initial Term Commitment to make Additional Initial Term Loans to the Borrower on the Restatement Effective Date and which shall constitute a "Lender" under the Credit Agreement as of the Restatement Effective Date.

"**Additional Initial Term Loan**" means a Loan that is made in respect of an Additional Initial Term Commitment pursuant to Section 2.01(b) on the Restatement Effective Date.

"**Adjusted LIBOR Rate**" shall mean, with respect to any LIBOR Rate Borrowing for any Interest Period, an interest rate per annum equal to the product of (i) the LIBOR Rate in effect for such Interest Period and (ii) Statutory Reserves; provided that, with respect to Initial Term Loans, the Adjusted LIBOR Rate shall not be less than 1.00% per annum.

"**Adjusted Total Term Loan Commitment**" shall mean at any time the Total Term Loan Commitment less the Term Loan Commitments of all Defaulting Lenders.

"**Administrative Agent**" shall mean Morgan Stanley Senior Funding, Inc., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

"**Administrative Agent's Office**" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 13.2 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"Administrative Questionnaire" shall have the meaning provided in Section 13.6(b)(ii)(D).

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"**Affiliated Institutional Lender**" shall mean (i) any Affiliate of the Sponsor that is a bona fide debt fund or any such Affiliate that extends credit or buys loans in the ordinary course of business, (ii) KKR Corporate Lending LLC and KKR Capital Markets LLC and (iii) MCS Corporate Lending LLC and MCS Capital Markets LLC.

"**Affiliated Lender**" shall mean a Lender that is the Sponsor or any Affiliate thereof (other than Holdings, the Borrower, any Subsidiary of Holdings, or any Affiliated Institutional Lender).

"**Agent Parties**" shall have the meaning provided in Section 13.17(b).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent and each Joint Lead Arranger and Bookrunner.

"**Agreement**" shall mean this First Amended and Restated Credit Agreement.

"**Amendment No. 2**" shall mean Amendment No. 2 to this Agreement, dated as of July 2, 2015

"**Applicable Margin**" shall mean a percentage per annum equal to: (1) for LIBOR Loans that are Initial Term Loans, 4.00% and (2) for ABR Loans that are Initial Term Loans, 3.00%.

Notwithstanding the foregoing, (a) the Applicable Margin in respect of any Class of Extended Term Loans shall be the applicable percentages per annum set forth in the relevant Extension Amendment, (b) the Applicable Margin in respect of any Class of Incremental Term Loans shall be the applicable percentages per annum set forth in the relevant Incremental Amendment, (c) the Applicable Margin in respect of any Class of Replacement Term Loans shall be the applicable percentages per annum set forth in the relevant agreement and (d) in the case of the Term Loans and any Class of Incremental Term Loans, the Applicable Margin shall be increased as, and to the extent, necessary to comply with the provisions of Section 2.14.

"**Approved Fund**" shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"**Asset Sale**" shall mean:

(i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback (other than a Permitted Sale Leaseback)) (each a "**disposition**") of the Borrower or any Restricted Subsidiary, or

(ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred stock of Restricted Subsidiaries issued in compliance with Section 10.1), whether in a single transaction or a series of related transactions,

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, worn out or surplus property or property (including leasehold property interests) that is no longer economically practical in its business or commercially desirable to maintain or no longer used or useful equipment in the ordinary course of business or any disposition of inventory, immaterial assets, or goods (or other assets) in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 10.3;

(c) the incurrence of Liens that are permitted to be incurred pursuant to Section 10.2 or the making of any Restricted Payment or Permitted Investment (other than pursuant to clause (i) of the definition thereof) that is permitted to be made, and is made, pursuant to Section 10.5;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate Fair Market Value of less than the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition;

(e) any disposition of property or assets or issuance of securities by (1) a Restricted Subsidiary to the Borrower or (2) by the Borrower or a Restricted Subsidiary to another Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) any issuance, sale or pledge of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;

(h) foreclosures, condemnation, casualty or any similar action on assets (including dispositions in connection therewith);

(i) sales of accounts receivable, or participations therein, and related assets in connection with any Receivables Facility;

(j) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Restatement Effective Date, including Sale Leasebacks and asset securitizations permitted by this Agreement;

(k) (1) any surrender or waiver of contractual rights or the settlement, release, or surrender of contractual rights or other litigation claims, (2) the termination or collapse of cost sharing agreements with the Borrower or any Subsidiary and the settlement of any crossing payments in connection therewith, or (3) the settlement, discount, write off, forgiveness, or cancellation of any Indebtedness owing by any present or former consultants, directors, officers, or employees of the Borrower (or any direct or indirect parent company of the Borrower) or any Subsidiary or any of their successors or assigns;

(l) the disposition or discount of inventory, accounts receivable, or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(m) the licensing, cross-licensing or sub-licensing of Intellectual Property or other general intangibles (whether pursuant to franchise agreements or otherwise) in the ordinary course of business;

(n) the unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;

(o) sales, transfers, and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(p) the lapse or abandonment of Intellectual Property rights, which in the reasonable business judgment of the Borrower is not material to the conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole;

(q) the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(r) dispositions of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased or (2) the proceeds of such Asset Sale are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

(s) leases, assignments, subleases, licenses, or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Restricted Subsidiaries, taken as a whole;

(t) dispositions of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted hereunder;

(u) the lease, assignment, sub-lease, license or sub-license of, or any transfer related to a "reverse build to suit" or similar transaction in respect of, any real or personal property in the ordinary course of business; and

(v) other Asset Sales with a Fair Market Value less than or equal to $75,000,000 in the aggregate.

"**Asset Sale Prepayment Event**" shall mean any Asset Sale subject to the Reinvestment Period allowed in Section 10.4; provided, further, that with respect to any Asset Sale Prepayment Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of Net Cash Proceeds from all such Asset Sale Prepayment Events, after giving effect to the reinvestment rights set forth herein, exceeds $75,000,000 (the "**Prepayment Trigger**") in any fiscal year of the Borrower, but then from all such Net Cash Proceeds (excluding amounts below the Prepayment Trigger).

"**Assignment and Acceptance**" shall mean (i) an assignment and acceptance substantially in the form of Exhibit F, or such other form as may be approved by the Administrative Agent and (ii) in the case of any assignment of Term Loans in connection with a Permitted Debt Exchange conducted in accordance with Section 2.15, such form of assignment (if any) as may be agreed by the Administrative Agent and the Borrower in accordance with Section 2.15(a).

"**Assumed Tax Rate**" shall mean, for each taxable year, the highest combined marginal federal, state and local income (including under Sections 1401 through 1403 and Section 1411 of the Code) tax rate applicable for such tax year to an individual or corporation that is resident in New York City (whichever is higher), applicable to the character of net taxable income (e.g. ordinary income, qualified dividend income or capital gains, as appropriate), taking into account the holding period of the assets disposed of, and taking into account the deductibility of state and local income taxes as applicable at the time for federal income tax purposes and any limitations thereon including pursuant to Section 68 of the Code.

"**Auction Agent**" shall mean (i) the Administrative Agent or (ii) any other financial institution or advisor employed by the Borrower or any Subsidiary (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Permitted Debt Exchange pursuant to Section 2.15 or Dutch auction pursuant to Section 13.6(h); provided that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent); provided, further, that neither the Borrower nor any of its Subsidiaries may act as the Auction Agent.

"**Authorized Officer**" shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer), the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Controller, the Vice President-Finance, a Senior Vice President, an Executive Vice President, a Director, a Manager, the Secretary, the Assistant Secretary or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person.

"**Available Amount"** shall have the meaning provided in Section 10.5.

"**Bankruptcy Code**" shall have the meaning provided in Section 11.5.

"**Benefited Lender**" shall have the meaning provided in Section 13.8(a).

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

"**Borrower**" shall have the meaning provided in the recitals to this Agreement.

"**Borrowing**" shall mean Loans of the same Class and Type, made, converted, or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect.

"**Borrowing Base Basket**" shall mean, as of any date, an amount equal to 90% of the book value of all credit card receivables and 90% of the net orderly liquidation value of all inventory.

"**Business Day**" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close, and, if such day relates to any interest rate settings as to a LIBOR Loan, any fundings, disbursements, settlements, and payments in respect of any such LIBOR Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the applicable London interbank market.

"**Capital Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant, or equipment reflected in the consolidated balance sheet of the Borrower and the Restricted Subsidiaries (including capitalized software expenditures, website development costs, website content development costs, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs).

"**Capital Lease**" shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person, subject to Section 1.12.

"**Capital Stock**" shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that "cash-settled phantom appreciation programs" in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock).

"**Capitalized Lease Obligation**" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP, subject to Section 1.12.

"**Capitalized Software Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Borrower and the Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries.

"**Cash Equivalents**" shall mean:

(i) Dollars,

(ii) (a) Euro, Pounds Sterling, Yen, Swiss Francs, Canadian Dollars, or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business,

(iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition,

(iv) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $100,000,000,

(v) repurchase obligations for underlying securities of the types described in clauses (iii), (iv), and (ix) entered into with any financial institution meeting the qualifications specified in clause (iv) above,

(vi) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof,

(vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof,

(viii) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition,

(ix) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition,

(x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "**Approved Foreign Bank**"), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

(xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies, and

(xii) investment funds investing 90% of their assets in securities of the types described in clauses (i) through (ix) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; provided that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Credit Documents regardless of the treatment of such items under GAAP.

"**Cash Management Agreement**" shall mean any agreement or arrangement to provide Cash Management Services.

"**Cash Management Bank**" shall mean any Person that, at the time it enters into a Cash Management Agreement with the Borrower or any Restricted Subsidiary, is an Agent or a Lender or an Affiliate of an Agent or a Lender or (ii) any Person that is designated by the Borrower as a "Cash Management Bank" by written notice to the Administrative Agent substantially in the form of Exhibit L-2 or such other form reasonably acceptable to the Administrative Agent.

"**Cash Management Services**" shall mean any one or more of the following types of services or facilities: (i) commercial credit cards, merchant card services, purchase or debit cards, including non-card

e-payables services, or electronic funds transfer services, (ii) treasury management services (including controlled disbursement, overdraft automatic clearing house fund transfer services, return items, and interstate depository network services), (iii) any other demand deposit or operating account relationships or other cash management services, including pursuant to any Cash Management Agreements and (iv) and other services related, ancillary or complementary to the foregoing.

"**Casualty Event**" shall mean, with respect to any property of any Person, any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Person or any of its Restricted Subsidiaries receives insurance proceeds or proceeds of a condemnation award in respect of any equipment, fixed assets, or real property (including any improvements thereon) to replace or repair such equipment, fixed assets, or real property; provided, further, that with respect to any Casualty Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of Net Cash Proceeds from all such Casualty Events, after giving effect to the reinvestment rights set forth herein, exceeds $75,000,000 (the "**Casualty Prepayment Trigger**") in any fiscal year of the Borrower, but then from all such Net Cash Proceeds (excluding amounts below the Casualty Prepayment Trigger).

"**CFC**" shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"**CFC Holding Company**" shall mean a Domestic Subsidiary of the Borrower substantially all of the assets of which consist of equity of one or more Foreign Subsidiaries that are CFCs.

"**Change in Law**" shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Restatement Effective Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the Restatement Effective Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Restatement Effective Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law), including, for avoidance of doubt, any such adoption, change or compliance in respect of (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or foreign regulatory authorities pursuant to Basel III in each case, regardless of the date enacted, adopted or issued.

"**Change of Control**" shall mean and be deemed to have occurred if (i) at any time prior to an IPO of Holdings or any Parent Entity, the Permitted Holders shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Holdings; (ii) any Person, entity, or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), other than the Permitted Holders, shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Holdings that exceeds 35% thereof, unless, in case of clause (i) or clause (ii) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of directors of Holdings; (iii) at any time, a Change of Control (as defined in the ABL Credit Agreement) shall have occurred; or (iv) Holdings shall cease to beneficially own, directly or indirectly, 100% of the issued and outstanding equity interests of the Borrower. For the purpose of clauses (i) and (ii) and (iv) at any time when a majority of the outstanding Voting Stock of Holdings is directly or indirectly owned by a Parent Entity or, if applicable, a Parent Entity acts as the manager, managing member or general partner of Holdings,

references in this definition to "Holdings" shall be deemed to refer to the ultimate Parent Entity that directly or indirectly owns such Voting Stock or acts as (or, if applicable, is a Parent Entity that directly or indirectly owns a majority of the outstanding Voting Stock of) such manager, managing member or general partner. For purposes of this definition, (i) "beneficial ownership" shall be as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act, (ii) the phrase Person or "group" is within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and (iii) if any Person or "group" includes one or more Permitted Holders, the issued and outstanding Equity Interests of Holdings or the Borrower, as applicable, directly or indirectly owned by the Permitted Holders that are part of such Person or "group" shall not be treated as being owned by such Person or "group" for purposes of determining whether clause (ii) of this definition is triggered.

"**Class**" (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Initial Term Loans, New Term Loans (of each Series), Extended Term Loans (of the same Extension Series) or Replacement Term Loans (of the same Series), and (ii) when used in reference to any Commitment, refers to whether such Commitment is an Initial Term Loan Commitment or a New Term Loan Commitment.

"**Closing Date**" shall mean August 3, 2011.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean all property pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property.

"**Collateral Agent**" shall mean Morgan Stanley Senior Funding, Inc., as collateral agent under the Security Documents, or any successor collateral agent pursuant to Section 12.9, and any Affiliate or designee of Morgan Stanley Senior Funding, Inc., may act as the Collateral Agent under any Credit Document.

"**Commitments**" shall mean, with respect to each Lender (to the extent applicable), such Lender's Initial Term Loan Commitment or New Term Loan Commitment.

"**Commodity Exchange Act**" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Communications**" shall have the meaning provided in Section 13.17(a).

"**Compliance Certificate**" shall mean a certificate of a responsible financial or accounting officer of the Borrower delivered pursuant to Section 9.1(d) for the applicable Test Period.

"Confidential Information" shall have the meaning provided in Section 13.16.

"**Consolidated Depreciation and Amortization Expense**" shall mean with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, with respect to any Person and its Restricted Subsidiaries on a consolidated basis for any period, the Consolidated Net Income of such Person for such period:

(i) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and foreign withholding taxes of such Person paid or accrued during such period deducted, including any penalties and interest related to such taxes or arising from any tax examinations (and not added back) in computing Consolidated Net Income and any payments to any direct or indirect parent in respect of such taxes, *plus*

(b) Fixed Charges of such Person for such period (including (1) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of Consolidated Interest Expense and any non-cash interest expense, in each case to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income, *plus*

(d) any expenses, fees, charges, or losses (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, Restricted Payment, acquisition, disposition, recapitalization, or the incurrence of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful and including any such transaction consummated prior to the Restatement Effective Date), including (1) such fees, expenses, or charges related to the incurrence of the ABL Loans and the Loans hereunder and all Transaction Expenses, (2) such fees, expenses, or charges related to the offering of the Credit Documents and any other credit facilities, and (3) any amendment or other modification of the ABL Loans, the Loans hereunder or other Indebtedness, and, in each case, deducted (and not added back) in computing Consolidated Net Income, *plus*

(e) any other non-cash charges, including any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any net income (loss) attributable to non-controlling interests in any non-Wholly Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of management, monitoring, consulting, and advisory fees (including termination fees) and related indemnities and expenses paid or accrued in such period to the Initial Investors or any of their respective Affiliates, *plus*

(h) costs of surety bonds incurred in such period in connection with financing activities, *plus*

(i) the amount of reasonably identifiable and factually supportable "run-rate" cost savings, operating expense reductions, and other synergies that are projected by the Borrower in good faith to result from actions either taken or expected to be taken within 18 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period), *plus*

(j) the amount of loss or discount on sale of receivables and related assets to the Receivables Subsidiary in connection with a Receivables Facility, *plus*

(k) any costs or expense incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Equity Interests of the Borrower (other than Disqualified Stock), *plus*

(l) the amount of expenses relating to payments made to option, phantom equity or profits interest holders of the Borrower or any of its any direct or indirect subsidiaries or parent companies in connection with, or as a result of, any distribution being made to equity holders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option, phantom equity or profits interest holders as though they were equity holders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement and expenses relating to distributions made to equity holders of such Person or its direct or indirect parent companies resulting from the application of Financial Accounting Standards Codification Topic 718—Compensation—Stock Compensation (formerly Financial Accounting Standards Board Statement No. 123 (Revised 2004)), *plus*

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Borrower's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(n) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (2) below for any previous period and not added back, *plus*

(o) to the extent not already included in the Consolidated Net Income, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption, *plus*

(p) [reserved], *plus*

(q) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits, and any other items of a similar nature, *plus*

(r) [reserved], *plus*

(s) the amount of any loss attributable to a new store, distribution center, facility or business until the date that is 18 months after the date of commencement of construction or the date of acquisition or launch thereof, as the case may be; provided that (A) such losses are reasonably identifiable and factually supportable and certified by a responsible officer of the Borrower, (B) losses attributable to such store, distribution center, facility or business after 18 months from the date of commencement of construction or the date of acquisition of such store, distribution center or facility, as the case may be, shall not be included in this clause (s), and (C) no amounts shall be added pursuant to this clause (s) to the extent duplicative of any expenses or charges relating to such cost savings or revenue enhancements that are included in clause (i) above with respect to such period, and

(ii) decreased by (without duplication), non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period other than non-cash gains relating to the application of Financial Accounting Standards Codification Topic 840—*Leases* (formerly Financial Accounting Standards Board Statement No. 13); provided that, to the extent non-cash gains are deducted pursuant to this clause (ii)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, *plus*

(iii) increased or decreased by (without duplication):

(a) any net gain or loss resulting in such period from currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items, plus or minus, as the case may be, and

(b) any net gain or loss resulting in such period from Hedging Obligations, and the application of Financial Accounting Standards Codification Topic 815—Derivatives and Hedging (ASC 815) (formerly Financing Accounting Standards Board Statement No. 133), and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP.

Notwithstanding the foregoing, the aggregate amount of addbacks made pursuant to subclauses (i) and (s) of clause (i) above, together with any cost savings adjustments pursuant to the definition of "Pro Forma Adjustments", in any four fiscal quarter period shall not exceed 20% of Consolidated EBITDA (prior to giving effect to such addbacks) for such four fiscal quarter period.

For the avoidance of doubt:

(i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP,

(ii) there shall be included in determining Consolidated EBITDA for any period, without duplication, (1) the Acquired EBITDA of any Person or business, or attributable to any property or asset acquired by the Borrower or any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any assets or property, in each case to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned, or otherwise disposed by the Borrower or such Restricted Subsidiary during such period (each such Person, business, property, or asset acquired and not subsequently so disposed of, an "**Acquired Entity or Business**") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "**Converted Restricted Subsidiary**"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (2) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition); and

(iii) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business, or asset sold, transferred, abandoned, or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business, or asset so sold or disposed of, a "**Sold Entity or Business**"), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "**Converted Unrestricted Subsidiary**") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer, or disposition or conversion); provided that for the avoidance of doubt, notwithstanding any classification under GAAP of any Person or business in respect of which a definitive agreement

for the disposition thereof has been entered into as discontinued operations, the Disposed EBITDA of such Person or business shall not be excluded pursuant to this paragraph until such disposition shall have been consummated.

"**Consolidated First Lien Secured Debt**" shall mean Consolidated Total Debt as of such date secured by a Lien on the Collateral that ranks on an equal priority basis (but without regard to the control of remedies) with Liens on the Collateral securing the Obligations. For the avoidance of doubt, any Indebtedness under the ABL Facility shall constitute Consolidated First Lien Secured Debt.

"**Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio**" shall mean, as of any date of determination, the ratio of (i) Consolidated First Lien Secured Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries to (ii) Consolidated EBITDA of the Borrower for the Test Period most recently ended on or prior to such date of determination, in each case with such pro forma adjustments to Consolidated First Lien Secured Debt and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"**Consolidated Interest Expense**" shall mean the sum of (1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income of such Person and its Restricted Subsidiaries with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under hedging agreements, plus (2) non-cash interest expense resulting solely from (x) the net amortization of original issue discount and original issuance premium from the issuance of Indebtedness of such Person and its Restricted Subsidiaries (excluding any Indebtedness borrowed under the ABL Facility or this Agreement in connection with the Transactions), plus (y) pay-in-kind interest expense of such Person and its Restricted Subsidiaries, but excluding, for the avoidance of doubt, (a) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest other than referred to in clause (2) above (including as a result of the effects of acquisition method accounting or pushdown accounting), (b) non-cash interest expense attributable to the movement of the mark-to-market valuation of Indebtedness or obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification Topic 815—Derivatives and Hedging, (c) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, (d) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Permitted Receivables Financing, (e) any "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (f) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including, without limitation, any Indebtedness issued in connection with the Transactions, (g) penalties and interest relating to taxes, (h) accretion or accrual of discounted liabilities not constituting Indebtedness, (i) interest expense attributable to a direct or indirect parent entity resulting from push-down accounting, (j) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, and (k) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to the Transactions, any acquisition or Investment permitted hereunder, all as calculated on a consolidated basis.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"**Consolidated Net Income**" shall mean, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and on an after-tax basis to the extent appropriate, and otherwise determined in accordance with GAAP; provided that, without duplication,

(i) extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non- recurring or unusual items), severance, relocation costs, integration and facilities' or bases' opening costs and other business optimization expenses (including related to new product introductions and other strategic or cost savings initiatives), restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, other executive recruiting and retention costs, transition costs, costs related to closure/consolidation of facilities or bases and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments), shall be excluded,

(ii) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period, shall be excluded,

(iii) any gain (loss) (less all fees and expenses relating thereto) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business) or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of), shall be excluded,

(iv) any effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors of the Borrower, shall be excluded,

(v) the Net Income for such period of any Person that is not the Borrower or a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; provided that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period, shall be excluded,

(vi) solely for the purpose of determining the amount available for Restricted Payments under clause (iii)(A) of Section 10.5, the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions (a) has been legally waived, or otherwise released, (b) is imposed pursuant to this Agreement and other Credit Documents, the ABL Credit Documents,

Permitted Debt Exchange Notes, New Term Loans, or Permitted Other Indebtedness, or (c) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Secured Parties than the encumbrances and restrictions contained in the Credit Documents (as determined by the Borrower in good faith); provided that Consolidated Net Income of the referent Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to such Person or a Restricted Subsidiary in respect of such period, to the extent not already included therein, shall be excluded,

(vii) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by Financial Accounting Standards Codification Topic 805—Business Combinations and Topic 350—Intangibles-Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition that is consummated after the Restatement Effective Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(viii) (a) any effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and to Hedging Obligations pursuant to ASC 815 (or such successor provision), and (c) any non-cash expense, income, or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to GAAP, shall be excluded,

(ix) any impairment charge, asset write-off, or write-down pursuant to ASC 350 and Financial Accounting Standards Codification Topic 360—Impairment and Disposal of Long-Lived Assets (ASC 360) (formerly Financial Accounting Standards Board Statement No.144) and the amortization of intangibles arising pursuant to ASC 805 shall be excluded,

(x) (a) any non-cash compensation expense recorded from or in connection with any share-based compensation arrangements including stock appreciation or similar rights, phantom equity, stock options, restricted stock, capital or profits interests or other rights to officers, directors, managers, or employees and (b) non-cash income (loss) attributable to deferred compensation plans or trusts, shall be excluded,

(xi) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Sale, issuance, or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Restatement Effective Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(xii) accruals and reserves (including contingent liabilities) that are established or adjusted within twelve months after the Restatement Effective Date that are so required to be established as a result of the Transactions in accordance with GAAP, or changes as a result of adoption or modification of accounting policies, shall be excluded,

(xiii) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded,

(xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,

(xv) any costs or expenses incurred during such period relating to environmental remediation, litigation, or other disputes in respect of events and exposures that occurred prior to the Restatement Effective Date shall be excluded,

(xvi) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs shall be excluded, and

(xvii) any amounts paid pursuant to clause (15) of Section 10.5(b) other than subclause (E)(ii) thereof that are used to fund payments that, if paid by the Borrower would have reduced Net Income, shall be included to reduce Net Income.

"**Consolidated Total Assets**" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"**Consolidated Total Debt**" shall mean, as at any date of determination, an amount equal to the sum of the aggregate amount of all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); provided that (i) Consolidated Total Debt shall not include Letters of Credit (as defined in the ABL Credit Agreement), except to the extent of Unpaid Drawings (as defined in the ABL Credit Agreement) thereunder and (ii) the amount of any Indebtedness outstanding under the ABL Facility on any date shall be deemed to be the average daily amount of such Indebtedness thereunder for the most recent twelve month period ending on such date (and for any period ending prior to the one year anniversary of the Restatement Effective Date, the average daily amount outstanding thereunder during such period).

"**Consolidated Total Debt to Consolidated EBITDA Ratio**" shall mean, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries to (ii) Consolidated EBITDA of the Borrower for the Test Period most recently ended on or prior to such date of determination, in each case with such pro forma adjustments to Consolidated Total Debt and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"**Consolidated Working Capital**" shall mean, at any date, the excess of (i) the sum of all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date excluding the current portion of current and deferred income taxes *over* (ii) the sum of all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries on such date, but excluding (for purposes of both clauses (i) and (ii) above), without duplication, (a) the current portion of any Funded Debt, (b) all Indebtedness consisting of Loans, ABL Loans and Letter of Credit Exposure (as defined in the ABL Credit Agreement) and Capital Leases to the extent otherwise included therein, (c) the current portion of interest, (d) the current portion of current and deferred income taxes, (e) any liabilities that are not Indebtedness and will not be settled in cash or Cash Equivalents during the next succeeding twelve month period after such date, (f) the effects from applying purchase accounting, (g) any accrued professional liability risks, (h) restricted marketable securities, and (i) deferred revenue reflected within current liabilities; provided that, for purposes of calculating Excess Cash Flow, increases or decreases in working capital (A) arising from acquisitions or dispositions by the Borrower and the Restricted Subsidiaries shall be measured from the date on which such acquisition or disposition occurred and (B) shall exclude (I) the impact of non-cash adjustments contemplated in the Excess Cash Flow calculation, (II) the impact of adjusting items in the definition of "Consolidated Net Income" and (III) any changes in current assets or current liabilities as a result of (x) the effect of fluctuations in the amount of accrued or contingent obligations, assets or liabilities under hedging agreements or other derivative obligations, (y) any reclassification, other than as a result of the passage of time, in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent or (z) the effects of acquisition method accounting.

"**Contingent Obligations**" shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other payment obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Contract Consideration**" shall have the meaning provided in the definition of Excess Cash Flow.

"**Contractual Requirement**" shall have the meaning provided in Section 8.3.

"**Converted Restricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Converted Unrestricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Converting Term Lender**" means each Existing Term Lender that has elected to convert its Existing Term Loans to Initial Term Loans pursuant to Amendment No. 2.

"**Converting Term Loans**" means each Existing Term Loan as to which the Lender thereof is a Converting Term Lender.

"**Credit Documents**" shall mean this Agreement, each Joinder Agreement, each Extension Amendment, each Permitted Repricing Amendment, the Guarantees, the Security Documents, and any promissory notes issued by the Borrower pursuant hereto.

"**Credit Event**" shall mean and include the making (but not the conversion or continuation) of a Loan.

"**Credit Facilities**" shall mean, collectively, each category of Commitments and each extension of credit hereunder.

"**Credit Facility**" shall mean a category of Commitments and extensions of credit thereunder.

"**Credit Party**" shall mean Holdings, the Borrower and the other Guarantors.

"**Debt Incurrence Prepayment Event**" shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (excluding any Indebtedness permitted to be issued or incurred under Section 10.1 other than Section 10.1(w)(i)).

"**Declined Proceeds**" shall have the meaning provided in Section 5.2(f).

"**Default**" shall mean any event, act, or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"**Default Rate**" shall have the meaning provided in Section 2.8(c).

"**Defaulting Lender**" shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of Lender Default.

"**Deferred Net Cash Proceeds**" shall have the meaning provided such term in the definition of Net Cash Proceeds.

"**Deferred Net Cash Proceeds Payment Date**" shall have the meaning provided such term in the definition of Net Cash Proceeds.

"**Delaware Intermediate Holdcos**" means New Academy Finance Company LLC, a Delaware limited liability company, and New Academy Finance Corporation, a Delaware corporation.

"**Designated Non-Cash Consideration**" shall mean the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation, executed by either a senior vice president or the principal financial officer of the Borrower, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 10.4.

"**Designated Preferred Stock**" shall mean preferred stock of the Borrower or any direct or indirect parent company of the Borrower (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an officer's certificate executed by the principal financial officer of the Borrower or parent company thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (iii) of Section 10.5(a).

"**Disposed EBITDA**" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its respective Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary, as the case may be.

"disposition" shall have the meaning assigned such term in clause (i) of the definition of Asset Sale.

"**Disqualified Lenders**" shall mean such Persons (i) that have been specified in writing to the Administrative Agent and the Joint Lead Arrangers and Bookrunners prior to the commencement of "primary syndication" as being Disqualified Lenders, (ii) who are competitors of the Borrower and its Subsidiaries that are separately identified in writing by the Borrower to the Administrative Agent from time to time, and (iii) in the case of each of clauses (i) and (ii), any of their Affiliates (other than any such Affiliate that is affiliated with a financial investor in such Person and that is not itself an operating company or otherwise an Affiliate of an operating company so long as such Affiliate is a bona fide Fund) that are either (a) identified in writing by the Borrower to the Administrative Agent from time to time or (b) clearly identifiable on the basis of such Affiliate's name. Notwithstanding the foregoing, each Credit Party and the Lenders acknowledge and agree that the Administrative Agent shall not have any responsibility or obligation to determine whether any Lender or potential Lender is a Disqualified Lender and the Administrative Agent shall have no liability with respect to any assignment made to a Disqualified Lender.

"**Disqualified Stock**" shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, in whole or in part, in each case, prior to the date that is 91 days after the Latest Term Loan Maturity Date hereunder; provided that if such Capital Stock is issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death, or disability.

"**Dollar Equivalent**" shall mean, at any time, (i) with respect to any amount denominated in Dollars, such amount, and (ii) with respect to any amount denominated in any currency other than Dollars, the equivalent amount thereof in Dollars, as determined by the Administrative Agent on the basis of the Spot Rate (determined on the most recent date of determination) for the purchase of Dollars with such currency.

"**Dollars**" and "**$**" shall mean dollars in lawful currency of the United States.

"**Domestic Subsidiary**" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

"**Effective Yield**" shall mean, as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Administrative Agent in consultation with the Borrower and consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below), or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the shorter of (i) the remaining weighted average life to maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof) payable generally to Lenders or other institutions providing such Indebtedness in connection with the initial primary syndication thereof, but excluding any arrangement, structuring, ticking, or other similar fees payable in connection therewith that are not generally shared with the relevant Lenders and, if applicable, consent fees for an amendment paid generally to consenting Lenders; provided that with respect to any Indebtedness that includes a "LIBOR floor" or "ABR floor," (a) to the extent that the Adjusted LIBOR Rate (with an Interest Period of three months) or ABR (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for such Indebtedness for the purpose of calculating the Effective Yield and (b) to the extent that the Adjusted LIBOR Rate (with an Interest Period of three months) or ABR (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield.

"**Environmental Claims**" shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "**Claims**"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence, Release or threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands, flora and fauna.

"**Environmental Law**" shall mean any applicable federal, state, foreign, or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or protection of the environment, including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials.

"**Equity Interest**" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"**Equity Offering**" shall mean any public or private sale of common stock or preferred stock of the Borrower, Holdings or any direct or indirect parent company of Holdings (excluding Disqualified Stock), other than: (i) public offerings with respect to the Borrower or any of its direct or indirect parent company's common stock registered on Form S-8, (ii) issuances to any Subsidiary of Holdings or the Borrower and (iii) any such public or private sale that constitutes an Excluded Contribution.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414 (b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code (and applicable regulations under either) or with the terms of such Plan; (ii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iii) any Reportable Event; (iv) the failure of any Credit Party or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (vi) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (vii) the termination of, or the appointment of a trustee to administer, any Pension Plan under Section 4042 of ERISA or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan (other than for PBGC premiums due but not delinquent under Section 4007 of ERISA), including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (viii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice to terminate any Pension Plan under Section 4041 of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (ix) the failure by any Credit Party or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (x) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a "substantial employer (within the meaning of Section 4001(a)(2) of ERISA), or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or the complete or partial withdrawal (within the meaning of Section 4203 or 4205 of ERISA) from any Multiemployer Plan; (xi) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in Reorganization, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA); or (xii) the failure by any Credit Party or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA.

"**Event of Default**" shall have the meaning provided in Section 11.

"**Excess Cash Flow**" shall mean, for any period, an amount equal to the excess of:

(i) the sum, without duplication (in each case, for the Borrower and the Restricted Subsidiaries on a consolidated basis), of:

(a) Consolidated Net Income for such period,

(b) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income and cash receipts to the extent excluded in arriving at such Consolidated Net Income,

(c) decreases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa and (2) any such decreases arising from acquisitions or Asset Sales by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(d) an amount equal to the aggregate net non-cash loss on Asset Sales by the Borrower and the Restricted Subsidiaries during such period (other than Asset Sales in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income,

(e) cash receipts in respect of Hedge Agreements during such period to the extent not otherwise included in Consolidated Net Income,

(f) increases in current and non-current deferred revenue to the extent deducted or not included in arriving at such Consolidated Net Income, and

(g) extraordinary gains;

over (ii) the sum, without duplication, of:

(a) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income, cash charges to the extent excluded in arriving at such Consolidated Net Income, and Transaction Expenses to the extent not deducted in arriving at such Consolidated Net Income and paid in cash during such period,

(b) without duplication of amounts deducted pursuant to clause (k) below in prior periods, the amount of Capital Expenditures or acquisitions of Intellectual Property accrued or made in cash during such period, except to the extent that such Capital Expenditures or acquisitions were financed with the proceeds of long-term Indebtedness of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid other than with the proceeds of long-term indebtedness) other than intercompany loans,

(c) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (1) the principal component of payments in respect of Capitalized Lease Obligations, (2) the amount of any scheduled repayment of Term Loans pursuant to Section 2.5, and (3) the amount of a mandatory prepayment of Term Loans pursuant to Section 5.2(a) to the extent required due to an Asset Sale that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase but excluding (A) all other prepayments of Term Loans and (B) all prepayments of ABL Loans (and any other revolving loans (unless there is an equivalent permanent reduction in commitments thereunder)) made during such period, except to the extent financed with the proceeds of other long-term Indebtedness of the Borrower or the Restricted Subsidiaries,

(d) an amount equal to the aggregate net non-cash gain on Asset Sales by the Borrower and the Restricted Subsidiaries during such period (other than Asset Sales in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(e) increases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa and (2) any such increases arising from acquisitions or Asset Sales by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(f) payments in cash by the Borrower and the Restricted Subsidiaries during such period in respect of any purchase price holdbacks, earn-out obligations, and long-term liabilities of the Borrower and the Restricted Subsidiaries other than Indebtedness, to the extent not already deducted from Consolidated Net Income,

(g) without duplication of amounts deducted pursuant to clause (k) below in prior fiscal periods, the aggregate amount of cash consideration paid by the Borrower and the Restricted Subsidiaries (on a consolidated basis) in connection with Investments (including acquisitions (but excluding Permitted Investments of the type described in clauses (i) and (ii) thereof) made during such period constituting Permitted Investments or made pursuant to Section 10.5 to the extent that such Investments were not financed with the proceeds received from (1) the issuance or incurrence of long-term Indebtedness or (2) the issuance of Capital Stock,

(h) the amount of dividends paid in cash during such period (on a consolidated basis) by the Borrower and the Restricted Subsidiaries, to the extent such dividends were not financed with the proceeds received from (1) the issuance or incurrence of long-term Indebtedness or (2) the issuance of Capital Stock,

(i) the aggregate amount of expenditures actually made by the Borrower and the Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period and are not deducted in calculating Consolidated Net Income,

(j) the aggregate amount of any premium, make-whole, or penalty payments actually paid in cash by the Borrower and the Restricted Subsidiaries during such period that are made in connection with any prepayment of Indebtedness to the extent that such payments are not deducted in calculating Consolidated Net Income,

(k) without duplication of amounts deducted from Excess Cash Flow in other periods, the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts, commitments, letters of intent or purchase orders (the "**Contract Consideration**") entered into prior to or during such period, relating to Permitted Acquisitions (or Investments similar to those made for Permitted Acquisitions), Capital Expenditures, or acquisitions of Intellectual Property to be consummated or made during the period of four consecutive fiscal quarters of the Borrower following the end of such period (except to the extent financed with any of the proceeds received from (A) the issuance or incurrence of long-term Indebtedness or (B) the issuance of Equity Interests); provided that to the

extent that the aggregate amount of cash actually utilized to finance such Permitted Acquisitions (or Investments similar to those made for Permitted Acquisitions), Capital Expenditures, or acquisitions of Intellectual Property during such following period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow, at the end of such period of four consecutive fiscal quarters,

(l) the amount of taxes (including penalties and interest) paid in cash or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period,

(m) cash expenditures in respect of Hedge Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income, and

(n) decreases in current and non-current deferred revenue to the extent included or not deducted in arriving at such Consolidated Net Income.

"**Excluded Contribution**" shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by the Borrower from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower, in each case designated as Excluded Contributions pursuant to an officer's certificate executed by either a senior vice president or the principal financial officer of the Borrower on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, which are excluded from the calculation set forth in clause (iii) of Section 10.5(a); provided that any non-cash assets shall qualify only if acquired by a parent of the Borrower in an arm's-length transaction within the six months prior to such contribution.

"**Excluded Property**" shall have the meaning set forth in the Security Agreement.

"**Excluded Stock and Stock Equivalents**" shall mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) solely in the case of any pledge of Capital Stock and Stock Equivalents of any Foreign Subsidiary of a Domestic Subsidiary, any Voting Stock or Stock Equivalents of any class of such Foreign Subsidiary in excess of 66% of the outstanding Voting Stock of such class, (iii) any Capital Stock or Stock Equivalents to the extent the pledge thereof would violate any applicable Requirements of Law (including any legally effective requirement to obtain the consent of any Governmental Authority unless such consent has been obtained), (iv) in the case of (A) any Capital Stock or Stock Equivalents of any Subsidiary to the extent such Capital Stock or Stock Equivalents are subject to a Lien permitted by clause (ix) of the definition of Permitted Lien or (B) any Capital Stock or Stock Equivalents of any Subsidiary that is not Wholly-Owned by the Borrower and its Subsidiaries at the time such Subsidiary becomes a Subsidiary, any Capital Stock or Stock Equivalents of each such Subsidiary described in clause (A) or (B) to the extent (I) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (II) any Contractual Requirement prohibits such a pledge without the consent of any other party; provided that this clause (II) shall not

apply if (x) such other party is a Credit Party or Wholly-Owned Subsidiary or (y) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (III) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (v) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents would result in materially adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower in consultation with the Administrative Agent, (vi) any Capital Stock or Stock Equivalents that are margin stock, and (vii) any Capital Stock and Stock Equivalents of any Subsidiary that is not a Material Subsidiary or is an Unrestricted Subsidiary, a captive insurance Subsidiary, an SPV or any special purpose entity.

"**Excluded Subsidiary**" shall mean (i) each Subsidiary, in each case, for so long as any such Subsidiary does not (on (x) a consolidated basis with its Restricted Subsidiaries, if determined on the Restatement Effective Date by reference to the Historical Financial Statements or (y) a consolidated basis with its Restricted Subsidiaries, if determined after the Restatement Effective Date by reference to the financial statements delivered to the Administrative pursuant to Section 9.1(a) and (b)) constitute a Material Subsidiary, (ii) each Subsidiary that is not a Wholly-Owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 9.11 (for so long as such Subsidiary remains a non-Wholly-Owned Restricted Subsidiary), (iii) any CFC Holding Company, (iv) any Subsidiary of a Foreign Subsidiary that is a CFC, (v) any Foreign Subsidiary, (vi) each Subsidiary that is prohibited by any applicable Contractual Requirement or Requirements of Law from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), (vii) each Subsidiary with respect to which, as reasonably determined by the Borrower, the consequence of providing a Guarantee of the Obligations would adversely affect the ability of the Borrower and its Subsidiaries to satisfy applicable Requirements of Law, (viii) each Subsidiary with respect to which, as reasonably determined by the Borrower in consultation with the Administrative Agent, providing such a Guarantee would result in material adverse tax consequences, (ix) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, as agreed in writing, the cost or other consequences of providing a Guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom (x) each Unrestricted Subsidiary, (xi) any Receivables Subsidiary, (xii) each other Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder and financed with assumed secured Indebtedness permitted hereunder, and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations and such prohibition was not created in contemplation of such Permitted Acquisition or other Investment permitted hereunder and (xiii) each SPV or not-for-profit Subsidiary.

"**Excluded Swap Obligation**" shall mean, with respect to the Borrower or any Subsidiary Credit Party, (a) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Person of, or the grant by such Person of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation, or

order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) or (b) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Guarantor as specified in any agreement between the relevant Persons and Hedge Bank applicable to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) any Taxes imposed on or measured by such recipient's overall net income, net profits, or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local, or foreign law), and franchise (and similar) Taxes imposed on such recipient (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection between such recipient and such jurisdiction (other than any such connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), (ii) any United States federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any Credit Document that is required to be imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in a Loan or Commitment pursuant to laws in force at the time such Lender (a) acquires such interest in the applicable Commitment or, if such Lender did not fund the applicable Loan pursuant to a prior Commitment, on the date on which such Lender acquires its interest in such Loan or (b) designates a new lending office, other than in the case of a Lender that is an assignee pursuant to a request by the Borrower under Section 13.7 (or that designates a new lending office pursuant to a request by the Borrower), except in each case to the extent that amounts with respect to such withholding Tax pursuant were payable pursuant to Section 5.4 either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before such Lender designated a new lending office,(iii) any Taxes attributable to a recipient's failure to comply with Section 5.4(e), or (iv) any withholding Tax imposed under FATCA.

"**Existing ABL Facility**" shall mean that certain Credit Agreement, dated as of August 3, 2011, by and among the Borrower, certain of the Borrower's subsidiaries, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.

"**Existing Debt Facilities**" shall mean the Existing Term Loan Facility, the Existing ABL Facility, the Existing Finco Notes and the Existing Senior Notes.

"**Existing Finco Notes**" shall mean New Academy Finance Company LLC's and New Academy Finance Corporation's 9.0%/8.75% Notes due 2018 issued pursuant to an Indenture, dated as of December 13, 2012, among New Academy Finance Company LLC, New Academy Finance Corporation and Wells Fargo Bank, N.A.

"**Existing Senior Notes**" shall mean the Borrower's 9.25% Notes due 2019 issued pursuant to an Indenture, dated as of August 3, 2011, among certain affiliates of the Borrower and Wells Fargo Bank, N.A.

"**Existing Term Lender**" means a Term Lender that holds Existing Term Loans immediately prior to the Restatement Effective Date.

"**Existing Term Loan**" means each "Term Loan" as defined in the Existing Term Loan Facility.

"**Existing Term Loan Class**" shall have the meaning provided in Section 2.14(g)(i).

"**Existing Term Loan Facility**" shall mean the Credit Agreement, dated as of August 3, 2011, by and among the Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

"**Existing Term Loan Repayment Amount**" shall have the meaning provided in Section 2.5(c).

"**Extended Repayment Date**" shall have the meaning provided in Section 2.5(c).

"**Extended Term Loans**" shall have the meaning provided in Section 2.14(g)(i).

"**Extending Lender**" shall have the meaning provided in Section 2.14(g)(iii).

"**Extension Amendment**" shall have the meaning provided in Section 2.14(g)(iv).

"**Extension Date**" shall have the meaning provided in Section 2.14(g)(v).

"**Extension Election**" shall have the meaning provided in Section 2.14(g)(iii).

"**Extension Request**" shall mean a Term Loan Extension Request.

"**Extension Series**" shall mean all Extended Term Loans that are established pursuant to the same Extension Amendment (or any subsequent Extension Amendment to the extent such Extension Amendment expressly provides that the Extended Term Loans provided for therein are intended to be a part of any previously established Extension Series) and that provide for the same interest margins, extension fees, and amortization schedule.

"**Fair Market Value**" shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code (or any amended or successor version described above), and any intergovernmental agreements (or related legislation or official administrative rules or practices) implementing the foregoing.

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the per annum rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; provided that (i) if such day is not a Business Day, the Federal Funds

Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"**Fees**" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"**First Lien Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit I-1 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, and the representatives for purposes thereof for holders of one or more classes of First Lien Obligations (other than the Obligations).

"**First Lien Obligations**" shall mean the Obligations and the Permitted Other Indebtedness Obligations that are secured by Liens on the Collateral that rank on an equal priority basis (but without regard to the control of remedies) with Liens on the Collateral securing the Obligations.

"**First Lien Secured Leverage Test**" shall mean, as of any date of determination, with respect to the last day of the most recently ended Test Period, the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio shall be no greater than 4.75 to 1.00.

"**Fixed Charge Coverage Ratio**" shall mean, as of any date of determination, the ratio of (i) Consolidated EBITDA for the Test Period most recently ended on or prior to such date of determination to (ii) the Fixed Charges for such Test Period.

"**Fixed Charges**" shall mean, with respect to any Person for any period, the sum of:

(i) Consolidated Interest Expense of such Person and its Restricted Subsidiaries on a consolidated basis for such period,

(ii) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred stock (including any Designated Preferred Stock) or any Refunding Capital Stock of such Person made during such period, and

(iii) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock made during such period.

"**Flood Insurance Laws**" collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"**Foreign Benefit Arrangement**" shall mean any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan**" shall mean each "employee benefit plan" (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan Event**" shall mean, with respect to any Foreign Plan or Foreign Benefit Arrangement, (i) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan or Foreign Benefit Arrangement; (ii) the failure to register or loss of good standing (if applicable) with applicable regulatory authorities of any such Foreign Plan or Foreign Benefit Arrangement required to be registered; or (iii) the failure of any Foreign Plan or Foreign Benefit Arrangement to comply with any provisions of applicable law and regulations or with the terms of such Foreign Plan or Foreign Benefit Arrangement.

"**Foreign Subsidiary**" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fund**" shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course.

"**Funded Debt**" shall mean all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation), and, in the case of the Credit Parties, Indebtedness in respect of the Loans.

"**GAAP**" shall mean generally accepted accounting principles in the United States, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Furthermore, at any time after the Restatement Effective Date, the Borrower may elect to apply International Financial Reporting Standards ("**IFRS**") accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP and GAAP concepts shall thereafter be construed to refer to IFRS and corresponding IFRS concepts (except as otherwise provided in this Agreement); provided any such election, once made, shall be irrevocable; provided, further, that any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the Borrower's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations.

"**Gochman Investors**" shall mean (i) each of David E Gochman and Molly Gochman, (ii) any trust for the direct or indirect benefit of any of the individuals referred to in clause (i) and (iii) any Person more than 50% of the Equity Interests of which is owned or controlled by any of the individuals referred to in clause (i), including MSI 2011 LLC and MG Family Limited Partnership.

"**Governmental Authority**" shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive,

legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange (including any supranational body exercising such powers or functions, such as the European Union or the European Central Bank).

"**Granting Lender**" shall have the meaning provided in Section 13.6(g).

"**Guarantee**" shall mean (i) the Term Loan Holdings Guarantee made by Holdings, the Texas Intermediate Holdcos and each other Intermediate Holdco (subject to Section 9.14), substantially in the form of Exhibit B-1, and the Amended and Restated Term Loan Guarantee made by each other Guarantor, substantially in the form of Exhibit B-2, in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) any other guarantee of the Obligations made by any Subsidiary of Holdings or a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent.

"**guarantee obligations**" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term guarantee obligations shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Restatement Effective Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Guarantors**" shall mean (i) each Subsidiary of the Borrower that is party to the Guarantee on the Restatement Effective Date, (ii) each Subsidiary of Holdings that becomes a party to the Guarantee after the Restatement Effective Date pursuant to Section 9.11, Section 9.14 or otherwise and (iii) Holdings and the Texas Intermediate Holdcos; provided that in no event shall any Excluded Subsidiary be required to be a Guarantor (unless such Subsidiary is no longer an Excluded Subsidiary).

"**Hazardous Materials**" shall mean (i) any petroleum or petroleum products, radioactive materials, friable asbestos, polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics, by any Environmental Law.

"**Hedge Agreements**" shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options,

forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedge Bank**" shall mean (i) (a) any Person that, at the time it enters into a Hedge Agreement with the Borrower or any Restricted Subsidiary, is a Lender, an Agent or an Affiliate of a Lender or an Agent and (b) with respect to any Hedge Agreement entered into prior to the Restatement Effective Date, any Person that is a Lender or an Agent or an Affiliate of a Lender or an Agent on the Restatement Effective Date and (ii) any other Person that is designated by the Borrower as a "Hedge Bank" by written notice to the Administrative Agent substantially in the form of Exhibit L-1 or such other form reasonably acceptable to the Administrative Agent.

"**Hedging Obligations**" shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements.

"**Historical Financial Statements**" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal years ended February 2, 2013, February 1, 2014 and January 31, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal years of Holdings and its Subsidiaries, including the notes thereto.

"**Holdings**" shall mean (i) New Academy Holding Company, LLC or (ii) after the Restatement Effective Date, any other Person or Persons ("**New Holdings**") that is a Subsidiary of Holdings or of any Parent Entity of Holdings (or the previous New Holdings, as the case may be) but not the Borrower ("**Previous Holdings**"); provided that (a) such New Holdings directly or indirectly through Intermediate Holdcos owns 100% of the Equity Interests of the Borrower, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (c) if reasonably requested by the Administrative Agent, an opinion of counsel shall be delivered by the Borrower to the Administrative Agent to the effect that, without limitation, such substitution does not violate this Agreement or any other Credit Document, (d) all Capital Stock of the Borrower shall be pledged to secure the Obligations and (e) (i) no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default and (ii) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder); provided, further, that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall be meant to refer to New Holdings.

"**IFRS**" shall have the meaning given to such term in the definition of GAAP.

"**Immediate Family Members**" shall mean, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the

only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"**Impacted Loans**" shall have the meaning provided in Section 2.10(a).

"**Increased Amount Date**" shall mean the date of effectiveness of any New Term Loan Commitments.

"**incur**" shall have the meaning provided in Section 10.1.

"**Indebtedness**" shall mean, with respect to any Person, (i) any indebtedness (including principal and premium) of such Person, whether or not contingent (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures, or similar instruments or letters of credit or bankers' acceptances (or, without double counting, reimbursement agreements in respect thereof), (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), or (d) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; provided that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of the Borrower solely by reason of push down accounting under GAAP shall be excluded, (ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business, and (iii) to the extent not otherwise included, the obligations of the type referred to in clause (i) of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person; provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business, (2) obligations under or in respect of Receivables Facilities, (3) prepaid or deferred revenue arising in the ordinary course of business, (4) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (5) any balance that constitutes a trade payable or similar obligation to a trade creditor, accrued in the ordinary course of business, (6) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP, (7) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (8) accrued expenses and royalties or (9) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than 60 days. The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith.

For all purposes hereof, the Indebtedness of the Borrower and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business consistent with past practice.

"**Indemnified Liabilities**" shall have the meaning provided in Section 13.5.

"Indemnified Person" shall have the meaning provided in Section 13.5.

"**Indemnified Taxes**" shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes.

"**Initial Investors**" shall mean shall mean Kohlberg Kravis Roberts & Co. L.P and its Affiliates, but not including, however, any portfolio companies of any of the foregoing.

"**Initial Term Loan**" shall mean any loan in Dollars converted or made pursuant to clauses (a) or (b) of Section 2.01, respectively.

"**Initial Term Loan Commitment**" shall mean, in the case of each Lender that is a Lender on the Restatement Effective Date, (x) such Lender's Additional Initial Term Commitment and (y) the agreement of such Lender to convert the principal amount of its Term Loans (as set forth in such Lender's Consent (as defined in Amendment No. 2)) for an equal principal amount of Initial Term Loans on the Restatement Effective Date. The aggregate amount of the Initial Term Loan Commitments as of the Restatement Effective Date is $1,825,000,000.

"**Initial Term Loan Lender**" shall mean each Additional Initial Term Lender and Converting Term Lender.

"**Initial Term Loan Maturity Date**" shall mean July 2, 2022 or, if such date is not a Business Day, the immediately preceding Business Day.

"**Initial Term Loan Repayment Amount**" shall have the meaning provided in Section 2.5(b).

"**Initial Term Loan Repayment Date**" shall have the meaning provided in Section 2.5(b).

"**Insolvent**" shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is "insolvent" within the meaning of Section 4245 of ERISA.

"**Intellectual Property**" shall mean U.S. intellectual property, including all (i) (a) patents, inventions, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials, labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, Internet domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and (d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisionals, re-issues, re-examinations, or similar legal protections related to the foregoing.

"**Interest Period**" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"**Intermediate Holdcos**" shall mean the Delaware Intermediate Holdcos, the Texas Intermediate Holdcos and any other Subsidiary of Holdings that becomes a party to the Guarantee in the form of Exhibit B-1 after the Restatement Effective Date pursuant to Section 9.11(y).

"**Investment**" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital

contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel, and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person and investments that are required by GAAP to be classified on the consolidated balance sheet (excluding the footnotes) of the Borrower in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; provided that Investments shall not include, in the case of the Borrower and the Restricted Subsidiaries, intercompany loans (including guarantees), advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

For purposes of the definition of Unrestricted Subsidiary and Section 10.5,

(i) Investments shall include the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Borrower's Investment in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Borrower or a Restricted Subsidiary in respect of such Investment (provided that, with respect to amounts received other than in the form of Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration).

"**Investment Grade Rating**" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"**Investment Grade Securities**" shall mean:

(i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents),

(ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among a the Borrower and its Subsidiaries,

(iii) investments in any fund that invest at least 90% in investments of the type described in clauses (i) and (ii) which fund may also hold immaterial amounts of cash pending investment or distribution, and

(iv) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"**IPO**" shall mean the initial underwritten public offering (other than a public offering pursuant to a registration statement on Form S-8) of common Equity Interests in Holdings or a parent entity of Holdings.

"**IPO Entity**" shall mean, at any time at and after an IPO, Holdings or a parent entity of Holdings, as the case may be, the Equity Interests of which were issued or otherwise sold pursuant to the IPO.

"**IPO Listco**" shall mean a wholly-owned subsidiary of Holdings formed in contemplation of an IPO to become the IPO Entity. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of any IPO Listco.

"**IPO Reorganization Transactions**" shall mean, collectively, the transactions taken in connection with and reasonably related to consummating an IPO, including (a) formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of Holdings, its Subsidiaries and/or IPO Shell Companies implementing IPO Reorganization Transactions and other reorganization transactions in connection with an IPO and (ii) customary underwriting agreements in connection with an IPO and any future follow-on underwritten public offerings of common Equity Interests in the IPO Entity, including the provision by IPO Entity and Holdings of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in Holdings with the surviving entity in any such merger holding Equity Interests in Holdings, and the merger of such entities with any IPO Shell Company or IPO Subsidiary, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of Holdings in connection with any IPO Reorganization Transactions, (e) an exchange agreement, pursuant to which holders of Equity Interests of Holdings will be permitted to exchange such interests for certain economic/voting Equity Interests in IPO Listco, and (f) any tax receivables agreements by any IPO Shell Company or IPO Subsidiary, in each case of clauses (a) through (f), so long as after giving Pro Forma Effect to such agreement and the transactions contemplated thereby, the security interests of the Lenders in the Collateral and the Guarantees of the Secured Obligations, taken as a whole, would not be materially impaired.

"**IPO Shell Company**" shall mean each of IPO Listco and IPO Subsidiary.

"**IPO Subsidiary**" shall mean a wholly-owned subsidiary of IPO Listco formed in contemplation of, and to facilitate, IPO Reorganization Transactions and an IPO. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of an IPO Subsidiary.

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

"**Joint Lead Arrangers and Bookrunners**" shall mean Morgan Stanley Senior Funding, Inc., KKR Capital Markets LLC, Goldman Sachs Bank USA, Credit Suisse Securities (USA) LLC, Barclays Bank PLC, J.P. Morgan Securities LLC, Mizuho Bank, Ltd. and Wells Fargo Securities, LLC.

"**Junior Debt**" shall mean any Indebtedness (other than any permitted intercompany Indebtedness owing to the Borrower or any Restricted Subsidiary) in respect Subordinated Indebtedness.

"**KKR**" shall mean each of Kohlberg Kravis Roberts & Co. L.P. and KKR 2006 Fund L.P.

"**Latest Term Loan Maturity Date**" shall mean, at any date of determination, the latest maturity or expiration date applicable to any Term Loan hereunder at such time, including the latest maturity or expiration date of any New Term Loan or any Extended Term Loan, in each case as extended in accordance with this Agreement from time to time.

"**LCA Election**" shall have the meaning provided in Section 1.12(a).

"**LCA Test Date**" shall have the meaning provided in Section 1.12(a).

"**Lender**" shall have the meaning provided in the preamble to this Agreement.

"**Lender Default**" shall mean (i) the refusal or failure of any Lender to make available its portion of any incurrence of Loans, which refusal or failure is not cured within one business day after the date of such refusal or failure, unless such Lender notifies the Administrative Agent in writing that such refusal or failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, (ii) the failure of any Lender to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one business day of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified, in writing, the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement or the ABL Facility, or a Lender has publicly announced that it does not intend to comply with its funding obligations under other loan agreements, credit agreements or similar facilities generally, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent that it will comply with its funding obligations under this Agreement or (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event.

"**Lender Presentation"** shall mean the lender presentation dated June 2, 2015 and presented to the Lenders in connection with the syndication of the Loans under this Agreement.

"**Lender-Related Distress Event**" shall mean, with respect to any Lender or any other Person that directly or indirectly controls such Lender (each, a "**Distressed Person**"), other than via an Undisclosed Administration, a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, or a custodian, conservator, receiver, or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person, or any Person that directly or indirectly controls such Distressed Person or is subject to a forced liquidation or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any governmental authority having regulatory authority over such Distressed Person to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a governmental authority or an instrumentality thereof.

"**LIBOR**" shall have the meaning provided in the definition of LIBOR Rate.

"**LIBOR Loan**" shall mean any Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate.

"**LIBOR Rate**" shall mean,

(i) for any Interest Period with respect to a LIBOR Loan, the rate per annum equal to the offered rate administered by ICE Benchmark Administration ("**LIBOR**") or successor rate, which rate is approved by the Administrative Agent, on the applicable Reuters screen page (or such other commercially available source providing such quotations of LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(ii) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further, that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Borrower.

"**Lien**" shall mean with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority, or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in, and any filing of, or agreement to, give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease or a license, sub-license or cross-license to Intellectual Property be deemed to constitute a Lien.

"**Limited Condition Acquisition**" shall mean any acquisition by one or more of the Borrower and its Restricted Subsidiaries of any assets, business or Person permitted to be acquired by this Agreement, in each case, whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

"**Loan**" shall mean any Term Loan or any other loan made by any Lender pursuant to this Agreement.

"**Master Agreement**" shall have the meaning provided in the definition of the term "Hedge Agreement."

"**Material Adverse Effect**" shall mean a circumstance or condition affecting the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, that would, individually or in the aggregate, materially adversely affect (i) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their payment obligations under this Agreement or any of the other Credit Documents or (ii) the rights and remedies of the Administrative Agent and the Lenders under the Credit Documents.

"**Material Subsidiary**" shall mean, at any date of determination, each Restricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were equal to or greater than 5.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with

GAAP; provided that if, at any time and from time to time after the Restatement Effective Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Subsidiaries that are Excluded Subsidiaries by virtue of any of clauses (ii) through (xiii) of the definition of "Excluded Subsidiary") have, in the aggregate, (a) total assets at the last day of such Test Period equal to or greater than 10.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period equal to or greater than 10.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, then the Borrower shall, on the date on which financial statements for such quarter are delivered pursuant to this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable.

"**Maturity Date**" shall mean the Initial Term Loan Maturity Date, the New Term Loan Maturity Date or the maturity date of an Extended Term Loan, as applicable.

"**Maximum Incremental Facilities Amount**" shall mean, at any date of determination, (i) the sum of (a) $200,000,000 and (b) the aggregate amount of voluntary prepayments of Term Loans (including purchases of the Term Loans by the Borrower and its Subsidiaries at or below par, in which case the amount of voluntary prepayments of Term Loans shall be deemed not to exceed the actual purchase price of such Loans below par), in each case, other than from proceeds of the incurrence of long-term Indebtedness, *plus* (ii) an amount such that, after giving effect to the incurrence of such amount the Borrower would be in compliance on a Pro Forma Basis (including any adjustments required by such definition as a result of a contemplated Permitted Acquisition, but excluding any concurrent incurrence of Indebtedness pursuant to clause (i) above or the ABL Facility and without netting the cash proceeds of any New Term Loan) with the First Lien Secured Leverage Test (assuming that all Indebtedness incurred pursuant to Section 2.14(a) or Section 10.1(x)(i)(a) on such date of determination would be included in the definition of Consolidated First Lien Secured Debt, whether or not such Indebtedness would otherwise be so included), *minus* (iii) the sum of (a) the aggregate principal amount of New Term Loan Commitments incurred pursuant to Section 2.14(a) in reliance on clause (i) of this definition prior to such date and (b) the aggregate principal amount of Permitted Other Indebtedness issued or incurred (including any unused commitments obtained) pursuant to Section 10.1(x)(i) in reliance on clause (i) of this definition prior to such date.

"**Minimum Borrowing Amount**" shall mean with respect to a Borrowing, $2,500,000.

"**Minimum Tender Condition**" shall have the meaning provided in Section 2.15(b).

"**Moody's**" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"**Mortgage**" shall mean a mortgage, deed of trust, deed to secure debt, trust deed, or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property to secure the Obligations, in form and substance reasonably acceptable to the Collateral Agent and the Borrower, together with such terms and provisions as may be required by local laws, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Mortgaged Property**" shall mean, initially, each parcel of real estate and the improvements thereto owned in fee by the Borrower or a Subsidiary Credit Party and identified on Schedule 1.1(a), and each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 9.14.

"**Multiemployer Plan**" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Credit Party or ERISA Affiliate makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions.

"**Net Cash Proceeds**" shall mean, with respect to any Prepayment Event and any incurrence of Permitted Other Indebtedness, (i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Borrower or any of its Restricted Subsidiaries in respect of such Prepayment Event or incurrence of Permitted Other Indebtedness, as the case may be, less (ii) the sum of:

(a) the amount, if any, of all taxes (including in connection with any repatriation of funds) paid or estimated to be payable by the Borrower or any of its Restricted Subsidiaries in connection with such Prepayment Event or incurrence of Permitted Other Indebtedness,

(b) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (a) above) (1) associated with the assets that are the subject of such Prepayment Event and (2) retained by the Borrower or any of the Restricted Subsidiaries; provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(c) the amount of any Indebtedness (other than the Loans and Permitted Other Indebtedness) secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event,

(d) in the case of any Asset Sale Prepayment Event or Casualty Event or Permitted Sale Leaseback, the amount of any proceeds of such Prepayment Event that the Borrower or any Restricted Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period or has entered into a binding commitment prior to the last day of the Reinvestment Period to reinvest) in the business of the Borrower or any of the Restricted Subsidiaries; provided that any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the "**Deferred Net Cash Proceeds**") shall, unless the Borrower or a Restricted Subsidiary has entered into a binding commitment prior to the last day of such Reinvestment Period to reinvest such proceeds no later than 180 days following the last day of such Reinvestment Period, (1) be deemed to be Net Cash Proceeds of an Asset Sale Prepayment Event, Casualty Event, or Permitted Sale Leaseback occurring on the last day of such Reinvestment Period or, if later, 180 days after the date the Borrower or such Restricted Subsidiary has entered into such binding commitment, as applicable (such last day or 180th day, as applicable, the "**Deferred Net Cash Proceeds Payment Date**"), and (2) be applied to the repayment of Term Loans in accordance with Section 5.2(a)(i);

(e) in the case of any Asset Sale Prepayment Event, Casualty Event, or Permitted Sale Leaseback by a non-Wholly-Owned Restricted Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (e)) attributable to non-controlling interests and not available for distribution to or for the account of the Borrower or a Wholly-Owned Restricted Subsidiary as a result thereof;

(f) in the case of any Asset Sale Prepayment Event or Permitted Sale Leaseback, any funded escrow established pursuant to the documents evidencing any such sale or disposition to

secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; provided that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction solely to the extent that the Borrower and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction; and

(g) all fees and out-of-pocket expenses paid by the Borrower or a Restricted Subsidiary in connection with any of the foregoing (for the avoidance of doubt, including, (1) in the case of the issuance of Permitted Other Indebtedness, any fees, underwriting discounts, premiums, and other costs and expenses incurred in connection with such issuance and (2) attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses, and brokerage, consultant, accountant, and other customary fees),

in each case, only to the extent not already deducted in arriving at the amount referred to in clause (i) above.

"**Net Income**" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"**New Term Loan**" shall have the meaning provided in Section 2.14(c).

"**New Term Loan Commitments**" shall have the meaning provided in Section 2.14(a).

"**New Term Loan Lender**" shall have the meaning provided in Section 2.14(c).

"**New Term Loan Maturity Date**" shall mean the date on which a New Term Loan matures.

"**New Term Loan Repayment Amount**" shall have the meaning provided in Section 2.5(c).

"**New Term Loan Repayment Date**" shall have the meaning provided in Section 2.5(c).

"**Non-Bank Tax Certificate**" shall have the meaning provided in Section 5.4(e)(ii)(B)(3).

"**Non-Consenting Lender**" shall have the meaning provided in Section 13.7(b).

"**Non-Converting Term Loan**" means each Term Loan outstanding immediately prior to the Restatement Effective Date other than a Converting Term Loan.

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"Non-U.S. Lender" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"Notice of Borrowing" shall have the meaning provided in Section 2.3(a).

"**Notice of Conversion or Continuation**" shall have the meaning provided in Section 2.6(a).

"**Obligations**" shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Loan or under any Secured Cash Management Agreement or Secured Hedge Agreement (other than with respect to any Credit Party's obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with the Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document.

"**Other Taxes**" shall mean all present or future stamp, registration, court or documentary Taxes or any other excise, property, intangible, mortgage recording, filing or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include (i) any Taxes that result from an assignment, ("**Assignment Taxes**") to the extent such Assignment Taxes are imposed as a result of a present or former connection between the Lender and the taxing jurisdiction (other than a connection arising solely from having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), except to the extent that any such action described in this proviso is requested or required by the Borrower pursuant to Section 13.7 or (ii) Excluded Taxes.

"**Overnight Rate**" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"**Parent Entity**" shall mean any Person that is a direct or indirect parent company (which may be organized as, among other things, a partnership), including any managing member, of Holdings and/or the Borrower.

"**Participant**" shall have the meaning provided in Section 13.6(c)(i).

"**Participant Register**" shall have the meaning provided in Section 13.6(c)(ii).

"**Participating Member State**" shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"**Patriot Act**" shall have the meaning provided in Section 13.18.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Pension Plan**" shall mean any "employee pension benefit plan" (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA, be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Permitted Acquisition**" shall have the meaning provided in clause (iii) of the definition of Permitted Investment.

"**Permitted Asset Swap**" shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or a Restricted Subsidiary and another Person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 10.4.

"**Permitted Debt Exchange**" shall have the meaning provided in Section 2.15(a).

"**Permitted Debt Exchange Notes**" shall have the meaning provided in Section 2.15(a).

"**Permitted Debt Exchange Offer**" shall have the meaning provided in Section 2.15(a).

"**Permitted Holders**" shall mean each of (i) the Initial Investors and the Gochman Investors and their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management of the Borrower (or their respective direct or indirect parent or management investment vehicle) who are holders of Equity Interests of Holdings (or its direct or indirect parent company or management investment vehicle) and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, such Initial Investors and the Gochman Investors, their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of Holdings or any other direct or indirect Parent Entity, (ii) any direct or indirect Parent Entity formed not in connection with, or in contemplation of, a transaction (other than the Transactions or IPO Reorganization Transactions) that, assuming such parent was not formed after giving effect thereto, would constitute a Change of Control and (iii) any entity (other than a Parent Entity) through which a Parent Entity described in clause (ii) directly or indirectly holds Equity Interests of Holdings and has no other material operations other than those incidental thereto.

"**Permitted Investments**" shall mean:

(i) any Investment in the Borrower or any Restricted Subsidiary;

(ii) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;

(iii) any Investment by the Borrower or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment (a "**Permitted Acquisition**"), (1) such Person becomes a Restricted Subsidiary or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, or transfer;

(iv) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 10.4 or any other disposition of assets not constituting an Asset Sale;

(v) (a) any Investment existing or contemplated on the Restatement Effective Date and, in each case, listed on Schedule 10.5 and (b) Investments consisting of any modification, replacement, renewal, reinvestment, or extension of any such Investment; provided that the amount of any such Investment is not increased from the amount of such Investment on the Restatement Effective Date except pursuant to the terms of such Investment (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, or replaced Investment) and premium payable by the terms of such Indebtedness thereon and fees and expenses associated therewith as of the Restatement Effective Date;

(vi) any Investment acquired by the Borrower or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of the Borrower of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(vii) Hedging Obligations permitted under clause (j) of Section 10.1 and Cash Management Services;

(viii) any Investment in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (viii) that are at that time outstanding, not to exceed the greater of (a) $105,000,000 and (b) 25% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (viii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (viii) for so long as such Person continues to be a Restricted Subsidiary;

(ix) Investments the payment for which consists of Equity Interests of Holdings or any direct or indirect parent company of Holdings (exclusive of Disqualified Stock); provided that such Equity Interests will not increase the amount available for Restricted Payments under clause (iii) of Section 10.5(a);

(x) guarantees of Indebtedness permitted under Section 10.1;

(xi) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 9.9 (except transactions described in clause (b) of such paragraph);

(xii) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets in the ordinary course of business;

(xiii) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (xiii) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) $105,000,000 and (b) 25% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (xiii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (xiii) for so long as such Person continues to be a Restricted Subsidiary;

(xiv) Investments relating to any Receivables Subsidiary that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect a Receivables Facility or any repurchases in connection therewith;

(xv) advances to, or guarantees of Indebtedness of, employees not in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment;

(xvi) (a) loans and advances to officers, directors, managers, and employees for business-related travel expenses, moving expenses, and other similar expenses, in each case, incurred in the ordinary course of business or consistent with past practices or to fund such Person's purchase of Equity Interests of the Borrower or any direct or indirect parent company thereof and (b) promissory notes received from stockholders of the Borrower, any direct or indirect parent company of the Borrower or any Subsidiary in connection with the exercise of stock options in respect of the Equity Interests of the Borrower, any direct or indirect parent company of the Borrower and the Subsidiaries;

(xvii) Investments consisting of extensions of trade credit in the ordinary course of business;

(xviii) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(xix) non-cash Investments in connection with tax planning and reorganization activities; provided that after giving effect to any such activities, the security interests of the Lenders in the Collateral, taken as a whole, would not be materially impaired;

(xx) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client, franchisee and customer contracts and loans or advances made to, and guarantees with respect to obligations of, franchisees, distributors, suppliers, licensors and licensees in the ordinary course of business;

(xxi) the licensing and contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons, in the ordinary course of business;

(xxii) advances of payroll payments to employees in the ordinary course of business;

(xxiii) contributions to a "rabbi" trust for the benefit of employees, directors, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower;

(xxiv) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary pursuant to the definition of "Unrestricted Subsidiary".

"**Permitted Liens**" shall mean, with respect to any Person:

(i) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws, or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds, in each case, incurred in the ordinary course of business;

(ii) Liens imposed by law, such as carriers', warehousemen's, materialmen's, repairmen's, and mechanics' Liens, in each case, for sums not yet overdue for a period of more than 60 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(iii) Liens for Taxes, assessments, or other governmental charges not yet overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP or are not required to be paid pursuant to Section 8.11, or for property Taxes on property of the Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such Tax is to such property;

(iv) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(v) minor survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar purposes, or zoning, building codes, or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties

which were not incurred in connection with Indebtedness and which do not, in the aggregate, materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person, taken as a whole;

(vi) Liens securing Indebtedness permitted to be outstanding pursuant to clause (a), (b)(i) (so long as such Liens are subject to the ABL Intercreditor Agreement), (d), (l)(ii), (r), (w), (x) or (y) of Section 10.1; provided that, (a) in the case of clause (d) of Section 10.1, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto) other than the property or equipment being financed or refinanced under such clause (d) of Section 10.1, replacements of such property, equipment or assets, and additions and accessions and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender; (b) in the case of clause (r) of Section 10.1, such Lien may not extend to any assets other than the assets owned by the Restricted Subsidiaries incurring such Indebtedness; (c) in the case of Liens securing Permitted Other Indebtedness Obligations that constitute First Lien Obligations pursuant to this clause (vi), the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and (1) in the case of the first such issuance of Permitted Other Indebtedness constituting First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative for the holders of such Permitted Other Indebtedness Obligations shall have entered into the First Lien Intercreditor Agreement and (2) in the case of subsequent issuances of Permitted Other Indebtedness constituting First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness Obligations shall have become a party to the First Lien Intercreditor Agreement in accordance with the terms thereof; and (d) in the case of Liens securing Permitted Other Indebtedness Obligations that do not constitute First Lien Obligations pursuant to this clause (vi), the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness that do not constitute First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness that do not constitute First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (vi);

(vii) subject to Section 9.14, other than with respect to Mortgaged Property, Liens existing on the Restatement Effective Date; provided that any Lien securing Indebtedness or other obligations in excess of (a) $5,000,000 individually or (b) $25,000,000 in the aggregate (when taken together with all other Liens securing obligations outstanding in reliance on this clause (b) that are not listed on Schedule 10.2) shall only be permitted if set forth on Schedule 10.2, and, in each case, any modifications, replacements, renewals, or extensions thereof;

(viii) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided that such Liens are not created or incurred in connection with, or in

contemplation of, such other Person becoming a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such Person, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(ix) Liens on property at the time the Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation, or designation; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such property, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(x) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness of such Restricted Subsidiary or another Restricted Subsidiary that is not a Credit Party, in each case, permitted under Section 10.1;

(xi) Liens securing Hedging Obligations and Cash Management Services so long as the related Indebtedness is, and is permitted hereunder to be, secured by a Lien on the same property securing such Hedging Obligations and Cash Management Services;

(xii) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xiii) leases, subleases, licenses, or sublicenses (including of Intellectual Property) granted to others in the ordinary course of business;

(xiv) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xv) Liens in favor of the Borrower or any other Subsidiary Guarantor;

(xvi) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's or such Restricted Subsidiary's client at which such equipment is located;

(xvii) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;

(xviii) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (vi), (vii), (viii), (ix), (x), and (xv) of this definition of Permitted Liens; provided that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1) the outstanding principal amount or, if greater, the committed amount of the Indebtedness described under clauses (vi), (vii), (viii), (ix), (x), and (xv) at the time the original Lien became a Permitted Lien under this Agreement, and (2) an amount necessary to pay any fees and expenses, including premiums and accrued and unpaid interest, related to such refinancing, refunding, extension, renewal, or replacement;

(xix) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(xx) other Liens securing obligations (including Capitalized Lease Obligations) which do not exceed the greater of (a) $205,000,000 and (b) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien; provided that at the Borrower's election, (i) in the case of Liens securing Permitted Other Indebtedness Obligations that constitute First Lien Obligations (the "**Permitted First Lien Indebtedness**"), the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and (1) in the case of the first such issuance of Permitted Other Indebtedness constituting First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative for the holders of such Permitted Other Indebtedness Obligations shall have entered into the First Lien Intercreditor Agreement and (2) in the case of subsequent issuances of Permitted Other Indebtedness constituting First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness Obligations shall have become a party to the First Lien Intercreditor Agreement in accordance with the terms thereof; and (ii) in the case of Liens securing Permitted Other Indebtedness Obligations that do not constitute First Lien Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness that do not constitute First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness that do not constitute First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on

behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (xx); provided that any such Permitted First Lien Indebtedness incurred in the form of term loans shall be subject to the Effective Yield restrictions applicable to New Term Loans pursuant to Section 2.14(d)(iii);

(xxi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 11.5 or Section 11.10;

(xxii) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xxiii) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (c) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(xxiv) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.1; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xxv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xxvi) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposits or sweep accounts of the Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries, or (c) relating to purchase orders and other agreements entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(xxvii) Liens (a) solely on any cash earnest money deposits made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement or (b) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder;

(xxviii) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xxix) restrictive covenants affecting the use to which real property may be put; provided that the covenants are complied with;

(xxx) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(xxxi) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements, and contract zoning agreements;

(xxxii) Liens arising out of conditional sale, title retention, consignment, or similar arrangements for sale of goods entered into by Holdings or any Restricted Subsidiary in the ordinary course of business;

(xxxiii) Liens arising under the Security Documents;

(xxxiv) Liens on goods purchased in the ordinary course of business, the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries;

(xxxv) (a) Liens on Equity Interests in joint ventures; provided that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (b) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by the Borrower or any Restricted Subsidiary in joint ventures;

(xxxvi) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; provided (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder,

(xxxvii) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirements of Law, and

(xxxviii) to the extent pursuant to a Requirements of Law, Liens on cash or Permitted Investments securing Swap Agreements in the ordinary course of business.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on, and fees, expenses and other obligations payable with respect to, such Indebtedness.

"**Permitted Other Indebtedness**" shall mean subordinated or senior Indebtedness (which Indebtedness may (i) be unsecured, (ii) have the same lien priority as the First Lien Obligations (without regard to control of remedies); provided such Permitted Other Indebtedness is in the form of secured first lien notes, or (iii) be secured by a Lien ranking junior to the Lien securing the First Lien Obligations), in each case issued or incurred by the Borrower or a Guarantor, (a) the terms of which do not provide for any scheduled repayment, mandatory repayment, or redemption or sinking fund obligations prior to, at the time of incurrence, the Latest Term Loan Maturity Date (other than, in each case, customary offers or obligations to repurchase upon a change of control, asset sale, or casualty or condemnation event, AHYDO payments and customary acceleration rights after an event of default), (b) the covenants, taken

as a whole, are not materially more restrictive to the Borrower and the Restricted Subsidiaries than those herein (taken as a whole) (except for covenants applicable only to the periods after the Latest Term Loan Maturity Date) (it being understood that, (1) to the extent that any financial maintenance covenant is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such financial maintenance covenant is also added for the benefit of any corresponding Loans remaining outstanding after the issuance or incurrence of such Indebtedness or (2) no consent shall be required by the Administrative Agent or any of the Lenders if any covenants are only applicable after the Latest Term Loan Maturity Date at the time of such refinancing); provided that a certificate of an Authorized Officer of the Borrower delivered to the Administrative Agent at least five Business Days (or such shorter period as the Administrative Agent may reasonably agree) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless the Administrative Agent notifies the Borrower within two Business Days after receipt of such certificate that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees), (c) of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor and (d) that, if secured, is not secured by a lien any assets of the Borrower or its Subsidiaries other than the Collateral.

"**Permitted Other Indebtedness Documents**" shall mean any document or instrument (including any guarantee, security agreement, or mortgage and which may include any or all of the Credit Documents) issued or executed and delivered with respect to any Permitted Other Indebtedness by the Borrower or any Subsidiary Credit Party.

"**Permitted Other Indebtedness Obligations**" shall mean, if any Permitted Other Indebtedness is issued or incurred, all advances to, and debts, liabilities, obligations, covenants, and duties of, the Borrower or any Credit Party arising under any Permitted Other Indebtedness Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against the Borrower or any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Permitted Other Indebtedness Obligations of the Borrower and/or applicable Credit Parties under the Permitted Other Indebtedness Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Permitted Other Indebtedness Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any such Person under any Permitted Other Indebtedness Document.

"**Permitted Other Indebtedness Secured Parties**" shall mean the holders from time to time of secured Permitted Other Indebtedness Obligations (and any representative on their behalf).

"**Permitted Other Provision**" shall have the meaning provided in Section 2.14(g)(i).

"**Permitted Sale Leaseback**" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Restatement Effective Date; provided that any such Sale Leaseback not between the Borrower and a Restricted Subsidiary is consummated for fair value as determined at the time of consummation in good faith by (i) the Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sales Leasebacks) the aggregate proceeds of which exceed the greater of (a) $165,000,000 and (b) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Sale Leaseback,

the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"**Permitted Tax Distributions**" shall mean, collectively distributions by the Borrower, Holdings, Intermediate Holdcos or any parent thereof at the following times and in the following amounts:

(i) on a quarterly basis, an amount equal to the excess of (x) the sum of the following amounts for each equityholder of Holdings: (A) the excess of (1) the estimated cumulative taxable income allocated (or allocable) to such equityholder for the taxable year through the end of such period (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (i)(x)(A) with respect to a prior taxable year multiplied by (B) the Assumed Tax Rate, over (y) distributions previously made pursuant to this clause (i) with respect to the taxable year; and

(ii) at any time after the end of each taxable year (including, for the avoidance of doubt, in any subsequent taxable year), an amount equal to the excess of (x) the sum of the following amounts for each equityholder of Holdings: (A) the excess of (1) the cumulative taxable income allocated (or allocable) to such equityholder for the taxable year (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (ii)(x)(A), multiplied by (B) the Assumed Tax Rate, over (y) distributions made pursuant to clause (i) of this definition with respect to the taxable year.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust, or other enterprise or any Governmental Authority.

"**Plan**" shall mean, other than any Multiemployer Plan, any employee benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party or, with respect to any such plan that is that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Platform**" shall have the meaning provided in Section 13.17(a).

"**Pledge Agreement**" shall mean the Amended and Restated Pledge Agreement, entered into by the Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

"**Post-Acquisition Period**" shall mean, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the sixth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"**Prepayment Event**" shall mean any Asset Sale Prepayment Event, Debt Incurrence Prepayment Event, Casualty Event, or any Permitted Sale Leaseback.

"**primary obligor**" shall have the meaning provided such term in the definition of Contingent Obligations.

"**Prime Rate**" shall mean the "prime rate" referred to in the definition of ABR.

"**Pro Forma Adjustment**" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or Converted Restricted Subsidiary or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, projected by the Borrower in good faith as a result of (i) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (ii) any additional costs incurred during such Post-Acquisition Period, in each case, in connection with the combination of the operations of such Acquired Entity or Business or Converted Restricted Subsidiary with the operations of the Borrower and the Restricted Subsidiaries; provided that (a) at the election of the Borrower, such Pro Forma Adjustment shall not be required to be determined for any Acquired Entity or Business or Converted Restricted Subsidiary to the extent the aggregate consideration paid in connection with such acquisition was less than $10,000,000; and (b) so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that the applicable amount of such cost savings will be realizable during the entirety of such Test Period, or the applicable amount of such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided, further, that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

Notwithstanding the foregoing, the aggregate amount of cost savings adjustments made pursuant to and/or in accordance with this definition, together with any adjustments pursuant to subclauses (i) and (s) of clause (i) of the definition of "Consolidated EBITDA", in any four fiscal quarter period shall not exceed 20% of Consolidated EBITDA (prior to giving effect to such addbacks) for such four fiscal quarter period.

"**Pro Forma Basis**," "**Pro Forma Compliance**," and "**Pro Forma Effect**" shall mean, with respect to compliance with any test, financial ratio, or covenant hereunder, that (i) to the extent applicable, a Pro Forma Adjustment shall have been made and (ii) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive

or negative) attributable to the property or Person subject to such Specified Transaction, (1) in the case of a sale, transfer, or other disposition of all or substantially all Capital Stock in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Subsidiaries, shall be excluded, and (2) in the case of a Permitted Acquisition or Investment described in the definition of Specified Transaction, shall be included, (b) any retirement of Indebtedness, and (c) any incurrence or assumption of Indebtedness by the Borrower or any of the Restricted Subsidiaries in connection therewith (it being agreed that if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination); provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to operating expense reductions that are (x)(1) directly attributable to such transaction, (2) expected to have a continuing impact on the Borrower or any of the Restricted Subsidiaries, and (3) factually supportable or (y) otherwise consistent with the definition of Pro Forma Adjustment.

"**Pro Forma Entity**" shall have the meaning provided in the definition of the term Acquired EBITDA.

"**Pro Forma Financial Statements**" shall have the meaning provided in Section 6.12.

"**Prohibited Transaction**" shall have the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code.

"**Public Company Costs**" shall mean costs relating to compliance with the provisions of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees.

"**Qualified Proceeds**" shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"**Qualified Stock**" of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person.

"**Real Estate**" shall have the meaning provided in Section 9.1(f).

"**Receivables Facility**" shall mean any of one or more receivables financing facilities (and any guarantee of such financing facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Restricted Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its accounts receivable to either (i) a Person that is not a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

"**Receivables Fee**" shall mean distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

"**Receivables Subsidiary**" shall mean any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which the Borrower or any Subsidiary makes an Investment and to which the Borrower or any Subsidiary transfers accounts receivables and related assets.

"**Refinanced Term Loans**" shall have the meaning provided in Section 13.1.

"**Refinancing Indebtedness**" shall have the meaning provided in Section 10.1(m).

"**Refinancing Permitted Other Indebtedness**" shall have the meaning provided in Section 10.1(x).

"**Refunding Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Register**" shall have the meaning provided in Section 13.6(b)(iv).

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Reinvestment Period**" shall mean 450 days following the date of receipt of Net Cash Proceeds of an Asset Sale Prepayment Event, Casualty Event, or Permitted Sale Leaseback.

"**Rejection Notice**" shall have the meaning provided in Section 5.2(f).

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by the Borrower or the Restricted Subsidiaries in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"**Related Fund**" shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender.

"**Related Parties**" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"**Release**" shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into or migration through the environment.

"**Removal Effective Date**" shall have the meaning provided in Section 12.9(b).

"**Reorganization**" shall mean, with respect to any Multiemployer Plan, the condition that such plan is in "reorganization" within the meaning of Section 4241 of ERISA.

"**Repayment Amount**" shall mean the Initial Term Loan Repayment Amount, a New Term Loan Repayment Amount with respect to any Series, or an Extended Term Loan Repayment Amount with respect to any Extension Series, as applicable.

"**Replacement Term Loan Commitment**" shall mean the commitments of the Lenders to make Replacement Term Loans.

"**Replacement Term Loans**" shall have the meaning provided in Section 13.1.

"**Reportable Event**" shall mean any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to DOL Reg.§ 4043.

"**Repricing Transaction**" shall mean (i) the incurrence by the Borrower of any Indebtedness in the form of any long-term debt financing that is broadly marketed or syndicated to banks and other institutional investors (a) having an Effective Yield for the respective Type of such Indebtedness that is less than the Effective Yield for the Initial Term Loans of the respective equivalent Type, but excluding Indebtedness incurred in connection with an IPO, Change of Control, Transformative Acquisition or Transformative Disposition and (b) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, outstanding principal of Initial Term Loans or (ii) any effective reduction in the Effective Yield for the Initial Term Loans (e.g., by way of amendment, waiver or otherwise), except for a reduction in connection with an IPO, Change of Control, Transformative Acquisition or Transformative Disposition. Any determination by the Administrative Agent with respect to whether a Repricing Transaction shall have occurred shall be conclusive and binding on all Lenders holding the Initial Term Loans.

"**Required Lenders**" shall mean, at any date, Non-Defaulting Lenders having or holding a majority of the sum of (i) the Adjusted Total Term Loan Commitment at such date and (ii) the aggregate outstanding principal amount of the Term Loans (excluding Term Loans held by Defaulting Lenders) at such date.

"**Requirements of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"**Resignation Effective Date**" shall have the meaning provided in Section 12.9(a).

"**Restatement Effective Date**" shall mean the Amendment No. 2 Effective Date (as defined in Amendment No. 2).

"**Restatement Effective Date Refinancing**" shall mean the repayment, repurchase, redemption, defeasance or other discharge of the Existing Debt Facilities and termination and/or release of any security interests and guarantees in connection therewith (other than as set forth in Section 13.23).

"**Restricted Investment**" shall mean an Investment other than a Permitted Investment.

"**Restricted Payment**" shall have the meaning provided in Section 10.5(a).

"**Restricted Subsidiary**" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"**Retained Declined Proceeds**" shall have the meaning provided in Section 5.2(f).

"**Retired Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**S&P**" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"**Sale Leaseback**" shall mean any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing.

"**SEC**" shall mean the Securities and Exchange Commission or any successor thereto.

"**Second Lien Intercreditor Agreement**" shall mean a First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit I-2 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent and the representatives for purposes thereof of any other Permitted Other Indebtedness Secured Parties that are holders of Permitted Other Indebtedness Obligations having a Lien on the Collateral ranking junior to the Lien securing the Obligations.

"**Section 2.14 Additional Amendment**" shall have the meaning provided in Section 2.14(g)(iv).

"**Section 9.1 Financials**" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

"**Secured Cash Management Agreement**" shall mean any Cash Management Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder.

"**Secured Cash Management Obligations**" shall mean Obligations under Secured Cash Management Agreements.

"**Secured Hedge Agreement**" shall mean any Hedge Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a "Secured Hedge Agreement" hereunder. For purposes of the preceding sentence, the Borrower may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as "Secured Hedge Agreements". Notwithstanding anything to the contrary, a Hedge Agreement with a Restricted Subsidiary shall remain a Secured Hedge Agreement notwithstanding that such Restricted Subsidiary is subsequently designated an Unrestricted Subsidiary, unless otherwise agreed between such Restricted Subsidiary and Hedge Bank.

"**Secured Hedge Obligations**" shall mean Obligations under Secured Hedge Agreements.

"**Secured Parties**" shall mean the Administrative Agent, the Collateral Agent and each Lender, in each case with respect to the Credit Facilities, each Hedge Bank that is party to any Secured Hedge Agreement with Borrower or any Restricted Subsidiary, each Cash Management Bank that is party to a Secured Cash Management Agreement with the Borrower or any Restricted Subsidiary and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Collateral Agent with respect to matters relating to any Security Document.

"**Security Agreement**" shall mean the Amended and Restated Security Agreement entered into by the Borrower, the other grantors party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Security Documents**" shall mean, collectively, the Pledge Agreement, the Security Agreement, the Mortgages, if executed, the ABL Intercreditor Agreement, if executed, the First Lien Intercreditor Agreement, if executed, the First Lien/Second Lien Intercreditor Agreement and each other security agreement or other instrument or document executed and delivered pursuant to Sections 9.11, 9.12, or 9.14 or pursuant to any other Security Documents (including intellectual property security agreements) to secure the Obligations or to govern the lien priorities of the holders of Liens on the Collateral.

"**Series**" shall have the meaning provided in Section 2.14(a).

"**Significant Subsidiary**" shall mean, at any date of determination, (a) any Restricted Subsidiary whose gross revenues (when combined with the gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, determined in accordance with GAAP or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary's total gross revenues (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) are aggregated with each other Restricted Subsidiary (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) that is the subject of an Event of Default described in Section 11.5 would constitute a "Significant Subsidiary" under clause (a) above.

"**Similar Business**" shall mean any business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries on the Restatement Effective Date or any business that is similar, reasonably related, synergistic, incidental, or ancillary thereto.

"**Sold Entity or Business**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Solvent**" shall mean, after giving effect to the consummation of the Transactions, (i) the sum of the liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis, does not exceed the present fair saleable value of the present assets of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (ii) the fair value of the property of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (iii) the capital of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is not unreasonably small in relation to their business as contemplated on the date hereof; and (iv) the Borrower and its Restricted Subsidiaries, on a consolidated basis, have not incurred and do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debts as they become due (whether at maturity or otherwise).

"**Special Dividend**" shall mean a special one-time dividend within five Business Days of the Restatement Effective Date in an amount not to exceed $200,000,000 to be paid by Borrower, directly or indirectly, to Holdings and by Holdings to its equity holders.

"**Specified Transaction**" shall mean, with respect to any period, any Investment (including a Permitted Acquisition), any asset sale, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, New Term Loan or other event or action that in each case by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis.

"**Sponsor**" shall mean any of KKR and its Affiliates but excluding portfolio companies of any of the foregoing.

"**Sponsor Management Agreement**" shall mean the management agreement between certain of the management companies associated with the Initial Investors and the Borrower, as in effect on August 3, 2011 and as may be amended, modified, supplemented, restated, replaced or substituted so long as such amendment, modification, supplement, restatement, replacement or substitution is not, when taken as a whole, materially disadvantageous to the Lenders compared to the management agreement in effect on August 3, 2011.

"**Spot Rate**" for any currency shall mean the rate determined by the Administrative Agent to be the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if it does not have as of the date of determination a spot buying rate for any such currency.

"**SPV**" shall have the meaning provided in Section 13.6(g).

"**Statutory Reserves**" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject to

Eurocurrency Liabilities (as defined in Regulation D of the Board). LIBOR Rate Loans shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"**Stock Equivalents**" shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable.

"**Subordinated Indebtedness**" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower or such Guarantor, as applicable, under this Agreement or the Guarantee, as applicable.

"**Subsidiary**" of any Person shall mean and include (i) any corporation more than 50% of whose Capital Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Capital Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, or (ii) any limited liability company, partnership, association, joint venture, or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Borrower.

"**Successor Borrower**" shall have the meaning provided in Section 10.3(a).

"**Swap Obligation**" shall mean, with respect to the Borrower any Subsidiary Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1(a)(47) of the Commodity Exchange Act.

"**Taxes**" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing.

"**Term Loan Commitment**" shall mean, with respect to each Lender, such Lender's Initial Term Loan Commitment and, if applicable, New Term Loan Commitment with respect to any Series and Replacement Term Loan Commitment with respect to any Series.

"**Term Loan Extension Request**" shall have the meaning provided in Section 2.14 (g)(i).

"**Term Loan Lender**" shall mean, at any time, any Lender that has a Term Loan Commitment or an outstanding Term Loan.

"**Term Loans**" shall mean the Initial Term Loans, any New Term Loans, any Replacement Term Loans, and any Extended Term Loans, collectively.

"**Test Period**" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower's most recently ended on or prior to such date of determination and for which Section 9.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 9.1 Financials, the most recent period of four fiscal quarters at the end of which financial statements are available).

"**Texas Intermediate Holdcos**" means Associated Investors L.L.C., a Texas limited liability company, and Academy Managing Co., L.L.C., a Texas limited liability company.

"**Total Credit Exposure**" shall mean, at any date, the sum, without duplication, of (i) the Total Term Loan Commitment at such date, and (ii) without duplication of clause (i), the aggregate outstanding principal amount of all Term Loans at such date.

"**Total Initial Term Loan Commitment**" shall mean the sum of the Initial Term Loan Commitments of all Lenders.

"**Total Term Loan Commitment**" shall mean the sum of (i) the Initial Term Loan Commitments and (ii) the New Term Loan Commitments, if applicable, of all the Lenders.

"**Transaction Expenses**" shall mean any fees, costs, or expenses incurred or paid by the Borrower, or any of their respective Affiliates in connection with the Transactions, this Agreement, and the other Credit Documents, and the transactions contemplated hereby and thereby.

"**Transactions**" shall mean, collectively, the transactions contemplated by this Agreement, the ABL Credit Agreement, the Restatement Effective Date Refinancing, the payment of the Special Dividend and the consummation of any other transactions in connection with the foregoing (including the payment of the fees and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

"**Transferee**" shall have the meaning provided in Section 13.6(e).

"**Transformative Acquisition**" shall mean any acquisition by the Borrower or any Restricted Subsidiary that (i) is not permitted by the terms of the Credit Documents immediately prior to the consummation of such acquisition or (ii) would result in an upsizing of the Facilities.

"**Transformative Disposition**" shall mean any disposition by the Borrower or any Restricted Subsidiary that (i) is not permitted by the terms of the Credit Documents immediately prior to the consummation of such acquisition or (ii) would result in a downsizing of the Facilities.

"**Type**" shall mean as to any Term Loan, its nature as an ABR Loan or a LIBOR Loan.

"**Undisclosed Administration**" shall mean in relation to a Lender or its parent company the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

"**Unrestricted Subsidiary**" shall mean (i) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the board of directors of the Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary.

The board of directors of the Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted

Subsidiary, unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary of the Borrower (other than any Subsidiary of the Subsidiary to be so designated or an Unrestricted Subsidiary); provided that:

(a) such designation complies with Section 10.5;

(b) each of (1) the Subsidiary to be so designated and (2) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee, or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Borrower or any Restricted Subsidiary, and

(c) immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

The board of directors of the Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

Any such designation by the board of directors of the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the Board Resolution giving effect to such designation and a certificate of an Authorized Officer of the Borrower certifying that such designation complied with the foregoing provisions.

"**U.S.**" and "**United States**" shall mean the United States of America.

"**U.S. Lender**" shall have the meaning provided in Section 5.4(e)(ii)(A).

"**Voting Stock**" shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors or managers (or similar governing authority) of such Person.

"**Wholly-Owned Restricted Subsidiary**" of any Person shall mean a Restricted Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Wholly-Owned Subsidiary**" of any Person shall mean a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Withdrawal Liability**" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"**Withholding Agent**" shall mean any Credit Party, the Administrative Agent and any other applicable withholding agent.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein”, “hereto”, “hereof”, and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.

(d) The term “including” is by way of example and not limitation.

(e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(i) All references to “knowledge” or “awareness” of any Credit Party or any Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of such Credit Party or such Restricted Subsidiary.

1.3 Accounting Terms.

(a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a consistent manner.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA Ratio, the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio, and the First Lien Secured Leverage Test shall each be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

(c) Where reference is made to “the Borrower and the Restricted Subsidiaries on a consolidated basis” or similar language, such combination shall not include any Subsidiaries of the Borrower other than Restricted Subsidiaries.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases are permitted by any Credit Document; and (b) references to any Requirements of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirements of Law.

1.6 Exchange Rates. Notwithstanding the foregoing, for purposes of any determination under Section 9, Section 10 or Section 11 or any determination under any other provision of this Agreement expressly requiring the use of a current exchange rate, all amounts incurred, outstanding, or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Spot Rate; provided, however, that for purposes of determining compliance with Section 10 with respect to the amount of any Indebtedness, Restricted Investment, Lien, Asset Sale, or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness, Lien or Restricted Investment is incurred or after such Asset Sale or Restricted Payment is made; provided that, for the avoidance of doubt, the foregoing provisions of this Section 1.6 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness, Lien, or Investment may be incurred or Asset Sale or Restricted Payment made at any time under such Sections. For purposes of any determination of Consolidated Total Debt or Consolidated First Lien Secured Debt, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered Section 9.1 Financials.

1.7 Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission, or any other matter related to the rates in the definition of LIBOR Rate or with respect to any comparable or successor rate thereto.

1.8 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.9 Timing of Payment or Performance. Except as otherwise provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

1.10 Certifications. All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

1.11 Compliance with Certain Sections. In the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), disposition, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment of Indebtedness meets the criteria of one or more than one of the categories of transactions then permitted pursuant to any clause or subsection of Section 9.9 or any clause or subsection of Sections 10.1, 10.2, 10.3, 10.4, 10.5 or 10.6, then such transaction (or portion thereof) at any time shall be allocated to one or more of such clauses or subsections within the relevant sections as determined by the Borrower in its sole discretion at such time.

1.12 Pro Forma and Other Calculations.

(a) For purposes of calculating the Fixed Charge Coverage Ratio, Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio, Consolidated Total Debt to Consolidated EBITDA Ratio, Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (as determined in accordance with GAAP) that have been made by the Borrower or any Restricted Subsidiary during the Test Period or subsequent to such Test Period and on or prior to or simultaneously with the date of determination shall be calculated on a Pro Forma Basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Test Period. If, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, merger, consolidation, or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio, Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio and Consolidated Total Debt to Consolidated EBITDA Ratio shall be calculated giving Pro Forma Effect thereto for such Test Period as if such Investment, acquisition, disposition, merger, consolidation, or disposed operation had occurred at the beginning of the Test Period.

(b) Whenever Pro Forma Effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower (and may include, for the avoidance of doubt and without duplication, cost savings, and operating expense reductions resulting from such Investment, acquisition, merger, or consolidation which is being given Pro Forma Effect that have been or are expected to be realized; provided that such costs savings and operating expense reductions are made in compliance with the definition of Pro Forma Adjustment). If any Indebtedness bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account for such entire period, any Hedging Obligation applicable to such Indebtedness with a remaining term of twelve-months or longer, and in the case of any Hedging Obligation applicable to such Indebtedness with a remaining term of less than 12 months, taking into account such Hedging Obligation to the extent of its remaining term). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a Pro Forma Basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period (or, if lower, the greater of (i) maximum commitments under such revolving credit facilities as of the date of determination and (ii) the aggregate principal amount of loans outstanding under such a revolving credit facilities on such date). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

In connection with any action being taken solely in connection with a Limited Condition Acquisition, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio, Consolidated Total Debt to Consolidated EBITDA Ratio or the Fixed Charge Coverage Ratio;

(ii) determining the accuracy of representations and warranties in Section 8 and/or whether a Default or Event of Default shall have occurred and be continuing under Section 11; or

(iii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets);

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "LCA Test Date"), and if, after giving Pro Forma Effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent Test Period ending prior to the LCA Test Date, the Borrower could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA of the Borrower or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio or basket availability with respect to the incurrence of Indebtedness or Liens, or the making of Restricted Payments, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary on or following the relevant LCA Test Date and prior to the earlier of (i) the date on which such Limited Condition Acquisition is consummated or (ii) the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

(c) Notwithstanding anything to the contrary in this Section 1.12 or in any classification under GAAP of any Person, business, assets or operations in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, no Pro Forma Effect shall be given to any discontinued operations (and the EBITDA attributable to any such Person, business, assets or operations shall not be excluded for any purposes hereunder) until such disposition shall have been consummated.

(d) Any determination of Consolidated Total Assets shall be made by reference to the last day of the Test Period most recently ended on or prior to the relevant date of determination.

(e) Except as otherwise specifically provided herein, all computations of Excess Cash Flow, Consolidated Total Assets, Available Amount, Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio, Consolidated Total Debt to Consolidated EBITDA Ratio, the Fixed Charge Coverage Ratio and other financial ratios and financial calculations (and all definitions (including accounting terms) used in determining any of the foregoing) shall be calculated, in each case, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis.

(f) All leases of any Person that are or would be characterized as operating leases in accordance with GAAP immediately prior to the Closing Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of this Agreement regardless of any change in GAAP following the date that would otherwise require such leases to be recharacterized as Capital Leases.

Section 2. Amount and Terms of Credit.

2.1 Commitments. Subject to the terms and conditions set forth herein and in Amendment No. 2:

(a) Each Converting Term Lender severally agrees that its Converting Term Loans are hereby converted to a like principal amount of Initial Term Loans on the Restatement Effective Date. All Converting Term Loans will have the Types and Interest Periods specified in the Notice of Borrowing delivered in connection therewith. All accrued and unpaid interest on the Converting Term Loans to, but not including, the Restatement Effective Date shall be payable on the Restatement Effective Date, but no amounts under Section 2.11 shall be payable in connection with such conversion.

(b) Each Additional Initial Term Lender severally agrees to make an Additional Initial Term Loan to the Borrower on the Restatement Effective Date in the principal amount equal to its Additional Initial Term Commitment on the Restatement Effective Date. The Borrower shall prepay the aggregate principal amount of the Non-Converting Term Loans with the aggregate gross proceeds of the Additional Initial Term Loans, concurrently with the receipt thereof. All accrued and unpaid interest on the Non-Converting Term Loans to, but not including, the Restatement Effective Date shall be paid on the Restatement Effective Date, and the Borrower will make any payments required under Section 2.11 with respect to the Non-Converting Term Loans in accordance therewith.

(c) Such Initial Term Loans (i) may at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans; provided that all Term Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Term Loans of the same Type, (ii) may be repaid or prepaid (without premium or penalty other than as set forth in Section 5.1(b)) in accordance with the provisions hereof, but once repaid or prepaid, may not be reborrowed, (iii) shall not exceed for any such Lender the Initial Term Loan Commitment of such Lender, and (iv) shall not exceed in the aggregate the Total Initial Term Loan Commitments. On the Initial Term Loan Maturity Date, all then unpaid Initial Term Loans shall be repaid in full in Dollars.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Term Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and in a multiple of $100,000 in excess thereof. More than one Borrowing may be incurred on any date; provided that at no time shall there be outstanding more than ten Borrowings of LIBOR Loans that are Term Loans.

2.3 Notice of Borrowing.

(a) The Borrower shall give the Administrative Agent at the Administrative Agent's Office prior to 12:00 p.m. (New York City time) at least one Business Day's prior written notice in the case of a Borrowing of Initial Term Loans to be made on the Restatement Effective Date if such Initial Term Loans are to be LIBOR Loans or ABR Loans. Such notice (a "**Notice of Borrowing**") shall specify (A) the aggregate principal amount of the Term Loans to be made, (B) the date of the Borrowing (which shall be the Restatement Effective Date) and (C) whether the Term Loans shall consist of ABR Loans and/or LIBOR Loans and, if the Term Loans are to include LIBOR Loans, the Interest Period to be initially applicable thereto. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Borrowing of LIBOR Loans is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.3(a) (and the contents thereof), and of each Lender's pro rata share of the requested Borrowing.

(b) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it shall give hereunder by telephone (which obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

2.4 Disbursement of Funds.

(a) No later than 2:00 p.m. (New York City time) on the date specified in each Notice of Borrowing, each Lender shall make available its pro rata portion, if any, of each Borrowing requested to be made on such date in the manner provided below; provided that on the Restatement Effective Date, such funds may be made available at such earlier time as may be agreed among the Lenders, the Borrower, and the Administrative Agent for the purpose of consummating the Transactions.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds, to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made

available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt.

(a) The Borrower shall repay to the Administrative Agent, for the benefit of the Initial Term Loan Lenders, on the Initial Term Loan Maturity Date, the then outstanding Initial Term Loans.

(b) The Borrower shall repay to the Administrative Agent, for the benefit of the Initial Term Loan Lenders, (i) on the last Business Day of each of March, June, September and December, commencing with the fiscal quarter ending on September 30, 2015 (each such date, an "***Initial Term Loan Repayment Date***"), a principal amount of Term Loans equal to the aggregate outstanding principal amount of Initial Term Loans made on the Restatement Effective Date multiplied by 0.25% and (ii) on the Initial Term Loan Maturity Date, any remaining outstanding amount of Initial Term Loans (the repayment amounts in clauses (i) and (ii) above, each, an "**Initial Term Loan Repayment Amount**").

(c) In the event that any New Term Loans are made, such New Term Loans shall, subject to Section 2.14(d), be repaid by the Borrower in the amounts (each, a "**New Term Loan Repayment Amount**") and on the dates (each a "**New Term Loan Repayment Date**") set forth in the applicable Joinder Agreement. In the event that any Extended Term Loans are established, such Extended Term Loans shall, subject to Section 2.14(g), be repaid by the Borrower in the amounts (each such amount with respect to any Extended Repayment Date, an "**Extended Term Loan Repayment Amount**") and on the dates (each, an "**Extended Repayment Date**") set forth in the applicable Extension Amendment.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is an Initial Term Loan or New Term Loan, the Type of each Loan made and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that, in the event of any inconsistency between the Registrar and any such account or subaccount, the Registrar shall govern; provided, further, that the failure of any Lender or the

Administrative Agent to maintain such account, such Register or subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(g) The Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made an initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit G, evidencing the Initial Term Loans and New Term Loans owing to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 13.6) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if requested by such payee, to such payee and its registered assigns).

2.6 Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $5,000,000 of the outstanding principal amount of Term Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; provided that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent prior written notice at the Administrative Agent's Office prior to 12:00 noon (New York City time) at least (i) three Business Days prior, in the case of a continuation of or conversion to LIBOR Loans (other than in the case of a notice delivered on the Restatement Effective Date, which shall be deemed to be effective on the Restatement Effective Date), or (ii) 10:00 a.m. (New York City time) on the proposed day of a conversion into ABR Loans (each, a "**Notice of Conversion or Continuation**" substantially in the form of Exhibit K) specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a LIBOR Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans denominated in Dollars and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a), the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 Pro Rata Borrowings. Each Borrowing of Initial Term Loans under this Agreement shall be made by the Lenders pro rata on the basis of their then-applicable Initial Term Loan Commitments. Each Borrowing of New Term Loans under this Agreement shall be made by the Lenders pro rata on the basis of their then-applicable New Term Loan Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation, under any Credit Document.

2.8 Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* the ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for LIBOR Loans *plus* the relevant Adjusted LIBOR Rate.

(c) If an Event of Default has occurred and is continuing, if all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon or any other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum (the "**Default Rate**") that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of any other overdue amount, including overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) for the applicable Class *plus* 2.00% from the date of such non-payment to the date on which such amount is paid in full (after as well as before judgment).

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last Business Day of each fiscal quarter of the Borrower, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period and (iii) in respect of each Loan, (A) on any prepayment in respect thereof, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a

Borrowing of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower, be a one, two, three or six month period (or if approved by all the Lenders making such LIBOR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month or shorter period).

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the Maturity Date of such Loan.

2.10 Increased Costs, Illegality, Etc.

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent and (y) in the case of clauses (ii) and (iii) below, the Required Lenders shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the Adjusted LIBOR Rate for any Interest Period that (x) deposits in the principal amounts and currencies of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Restatement Effective Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Adjusted LIBOR Rate; or

(ii) at any time, that such Lenders shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to Indemnified Taxes, Excluded Taxes or Other Taxes) because of any Change in Law; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lenders in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation,

guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Restatement Effective Date that materially and adversely affects the interbank LIBOR market;

(such Loans, "**Impacted Loans**"), then, and in any such event, such Required Lenders (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower shall pay to such Lenders, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Lenders in their reasonable discretion shall determine) as shall be required to compensate such Lenders for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lenders, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lenders shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto), and (z) in the case of subclause (iii) above, the Borrower shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 2.10(a)(i)(x), the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (x) of the first sentence of the immediately preceding paragraph, (2) the Administrative Agent or the affected Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected LIBOR Loan has been submitted pursuant to Section 2.3 but the affected LIBOR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by Lenders pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Restatement Effective Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Restatement Effective Date, has or would have the effect of reducing the actual rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such actual additional amount or amounts as will compensate such Lender or its parent for such actual reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Restatement Effective Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrower hereunder) under comparable syndicated credit facilities similar to the Credit Facilities. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) If the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining its affected LIBOR Loans during such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter (which notice shall include supporting calculations in reasonable detail). If such notice is given, (i) any LIBOR Loan requested to be made on the first day of such Interest Period shall be made an ABR Loan, (ii) any Loans that were to have been converted on the first day of such Interest Period to LIBOR Loans shall be continued as an ABR Loan and (iii) any outstanding LIBOR Loans shall be converted, on the first day of such Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further LIBOR Loans shall be made or continued as such, nor shall the Borrower have the right to convert ABR Loans to LIBOR Loans.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing or a failure to satisfy borrowing conditions, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as a LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Sections 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), promptly pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in this Section 2.11 and setting forth in reasonable detail the manner in which such amount or amounts were determined shall be delivered to the Borrower and shall be conclusive, absent manifest error. The obligations of the Borrower under this Section 2.11 shall survive the payment in full of the Loans and the termination of this Agreement.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.10(a)(ii), 2.10(a)(iii), 2.10(b) or 5.4 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Sections 2.10 or 2.11 is given by any Lender more than 120 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Sections 2.10 or 2.11, as the case may be, for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower.

2.14 Incremental Facilities.

(a) The Borrower may, by written notice to Administrative Agent, elect to request the establishment of one or more additional tranches of term loans or increases in Term Loans of any Class (the commitments thereto, the "**New Term Loan Commitments**") by an aggregate amount not in excess of the Maximum Incremental Facilities Amount in the aggregate and not less than $10,000,000 individually (or such lesser amount as (x) may be approved by the Administrative Agent or (y) shall constitute the difference between the Maximum Incremental Facilities Amount and all such New Term Loan Commitments obtained on or prior to such date). In connection with the incurrence of any Indebtedness under this Section 2.14, at the request of the Administrative Agent, the Borrower shall provide to the Administrative Agent a certificate certifying that the New Term Loan Commitments do not exceed the Maximum Incremental Facilities Amount, which certificate shall be in reasonable detail and shall provide the calculations and basis therefor and classify such Indebtedness as being incurred under clause (i) or clause (ii) of the definition of "Maximum Incremental Facilities Amount". The Borrower may approach any Lender or any Person (other than a natural Person) to provide all or a portion of the New Term Loan Commitments; provided that any Lender offered or approached to provide all or a portion of the New Term Loan Commitments may elect or decline, in its sole discretion, to provide a New Term Loan Commitment. In each case, such New Term Loan Commitments shall become effective as of the applicable Increased Amount Date; provided that (i) no Event of Default (except in connection with an acquisition or investment (including any Permitted Acquisition or Investment), no Event of Default under Section 11.1 or Section 11.5) shall exist on such Increased Amount Date before or after giving effect to such New Term Loan Commitments, as applicable, and subject to Section 1.12, (ii) the New Term Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(e), and (iii) the Borrower shall make any payments required pursuant to Section 2.11 in connection with the New Term Loan Commitments, as

applicable. No Lender shall have any obligation to provide any Commitments pursuant to this Section 2.14(a). Any New Term Loans made on an Increased Amount Date shall, at the election of the Borrower and agreed to by Lenders providing such New Term Loan Commitments, be designated as (a) a separate series (a "**Series**") of New Term Loans for all purposes of this Agreement or (b) as part of a Series of existing Term Loans for all purposes of this Agreement.

(b) [Reserved].

(c) On any Increased Amount Date on which any New Term Loan Commitments of any Series are effective, subject to the satisfaction of the foregoing terms and conditions, (i) each Lender with a New Term Loan Commitment (each, a "**New Term Loan Lender**") of any Series shall make a Loan to the Borrower (a "**New Term Loan**") in an amount equal to its New Term Loan Commitment of such Series, and (ii) each New Term Loan Lender of any Series shall become a Lender hereunder with respect to the New Term Loan Commitment of such Series and the New Term Loans of such Series made pursuant thereto.

(d) The terms and provisions of the New Term Loans and New Term Loan Commitments of any Series shall be on terms and documentation set forth in the Joinder Agreement as determined by the Borrower; provided that (i) the applicable New Term Loan Maturity Date of each Series shall be no earlier than the Initial Term Loan Maturity Date; (ii) the weighted average life to maturity of all New Term Loans shall be no shorter than the weighted average life to maturity of the then existing Initial Term Loans; (iii) the pricing, interest rate margins, discounts, premiums, rate floors, fees, and amortization schedule applicable to any New Term Loans shall be determined by the Borrower and the Lenders thereunder; provided that if the Effective Yield for LIBOR Loans or ABR Loans in respect of such New Term Loans exceeds the Effective Yield for LIBOR Loans or ABR Loans in respect of the then existing Initial Term Loans by more than 0.50%, the Applicable Margin for LIBOR Loans or ABR Loans in respect of the then existing Initial Term Loans shall be adjusted so that the Effective Yield in respect of the then existing Initial Term Loans is equal to the Effective Yield for LIBOR Loans or ABR Loans in respect of the New Term Loans *minus* 0.50%; and (iv) to the extent such terms and documentation are not consistent with the then existing Initial Term Loans (except to the extent permitted by clause (i), (ii) or (iii) above), they shall be reasonably satisfactory to the Administrative Agent (it being understood that, (1) to the extent that any financial maintenance covenant is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such financial maintenance covenant is also added for the benefit of any corresponding Term Loans remaining outstanding after the issuance or incurrence of such Indebtedness or (2) no consent shall be required by the Administrative Agent or any of the Lenders if any covenants or other provisions are only applicable after the Latest Term Loan Maturity Date).

(e) [Reserved].

(f) Each Joinder Agreement may, without the consent of any other Lenders, effect technical and corresponding amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provision of this Section 2.14.

(g) (i) The Borrower may at any time, and from time to time, request that all or a portion of the Term Loans of any Class (an "**Existing Term Loan Class**") be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of such Term Loans (any such Term Loans which have been so converted, "**Extended Term Loans**") and to provide for other terms consistent with this Section 2.14(g). In order to establish any Extended Term Loans, the Borrower shall provide a notice to the Administrative Agent (who shall

provide a copy of such notice to each of the Lenders of the applicable Existing Term Loan Class which such request shall be offered equally to all such Lenders) (a "**Term Loan Extension Request**") setting forth the proposed terms of the Extended Term Loans to be established, which shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Borrower), when taken as a whole, than the terms of the Term Loans of the Existing Term Loan Class unless (x) the Lenders of the Term Loans of such applicable Existing Term Loan Class receive the benefit of such more restrictive terms or (y) any such provisions apply after the Initial Term Loan Maturity Date (a "**Permitted Other Provision**"); provided, however, that (x) the scheduled final maturity date shall be extended and all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization of principal of the Term Loans of such Existing Term Loan Class (with any such delay resulting in a corresponding adjustment to the scheduled amortization payments reflected in Section 2.5 or in the Joinder Agreement, as the case may be, with respect to the Existing Term Loan Class from which such Extended Term Loans were converted, in each case as more particularly set forth in paragraph (iv) of this Section 2.14(g) below), (y) (A) the interest margins with respect to the Extended Term Loans may be higher or lower than the interest margins for the Term Loans of such Existing Term Loan Class and/or (B) additional fees, premiums or applicable high-yield discount obligation ("**AHYDO**") payments may be payable to the Lenders providing such Extended Term Loans in addition to or in lieu of any increased margins contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment and to the extent that any Permitted Other Provision (including a financial maintenance covenant) is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such Permitted Other Provision is also added for the benefit of any corresponding Loans remaining outstanding after the issuance or incurrence of such Indebtedness or if such Permitted Other Provision applies only after the Initial Term Loan Maturity Date. Notwithstanding anything to the contrary in this Section 2.14 or otherwise, no Extended Term Loans may be optionally prepaid prior to the date on which the Existing Term Loan Class from which they were converted is repaid in full, except in accordance with the penultimate sentence of Section 5.1(a). No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Class converted into Extended Term Loans pursuant to any Extension Request. Any Extended Term Loans of any Extension Series shall constitute a separate Class of Term Loans from the Existing Term Loan Class from which they were converted.

(ii) [Reserved].

(iii) Any Lender (an "**Extending Lender**") wishing to have all or a portion of its Term Loans converted into Extended Term Loans shall notify the Administrative Agent (an "**Extension Election**") on or prior to the date specified in such Extension Request of the amount of its Term Loans of the Existing Class or Existing Classes subject to such Extension Request that it has elected to convert into Extended Term Loans. In the event that the aggregate amount of Term Loans of the Existing Class or Existing Classes subject to Extension Elections exceeds the amount of Extended Term Loans requested pursuant to the Extension Request or Loans of the Existing Class or Existing Classes subject to Extension Elections shall be converted to Extended Term Loans on a pro rata basis based on the amount of Loans in each such Extension Election.

(iv) Extended Term Loans shall be established pursuant to an amendment (an "**Extension Amendment**") to this Agreement (which, except to the extent expressly contemplated by the penultimate sentence of this Section 2.14(g)(iv) and notwithstanding anything to the contrary set forth in Section 13.1, shall not require the consent of any Lender other than the Extending Lenders with respect to the Extended Term Loans established thereby) executed by the Credit Parties, the Administrative Agent and the Extending Lenders. No Extension Amendment shall provide for any tranche of Extended Term Loans in an aggregate principal amount that is less than $10,000,000. In addition to any terms and changes

required or permitted by Section 2.14(g)(i), each Extension Amendment (x) shall amend the scheduled amortization payments pursuant to Section 2.5 or the applicable Joinder Agreement with respect to the Existing Term Loan Class from which the Extended Term Loans were converted to reduce each scheduled Repayment Amount for the Existing Term Loan Class in the same proportion as the amount of Term Loans of the Existing Term Loan Class is to be converted pursuant to such Extension Amendment (it being understood that the amount of any Repayment Amount payable with respect to any individual Term Loan of such Existing Term Loan Class that is not an Extended Term Loan shall not be reduced as a result thereof) and (y) may, but shall not be required to, impose additional requirements (not inconsistent with the provisions of this Agreement in effect at such time) with respect to the final maturity and weighted average life to maturity of New Term Loans incurred following the date of such Extension Amendment. Notwithstanding anything to the contrary in this Section 2.14(g) and without limiting the generality or applicability of Section 13.1 to any Section 2.14 Additional Amendments, any Extension Amendment may provide for additional terms and/or additional amendments other than those referred to or contemplated above (any such additional amendment, a "**Section 2.14 Additional Amendment**") to this Agreement and the other Credit Documents; provided that such Section 2.14 Additional Amendments are within the requirements of Section 2.14(g)(i) and do not become effective prior to the time that such Section 2.14 Additional Amendments have been consented to (including, without limitation, pursuant to (1) consents applicable to holders of New Term Loans provided for in any Joinder Agreement and (2) consents applicable to holders of any Extended Term Loans provided for in any Extension Amendment) by such of the Lenders, Credit Parties and other parties (if any) as may be required in order for such Section 2.14 Additional Amendments to become effective in accordance with Section 13.1.

(v) Notwithstanding anything to the contrary contained in this Agreement, on any date on which any Existing Class is converted to extend the related scheduled maturity date(s) in accordance with clause (i) above (an "**Extension Date**"), the aggregate principal amount of such existing Term Loans shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Term Loans so converted by such Lender on such date, and the Extended Term Loans shall be established as a separate Class of Term Loans (together with any other Extended Term Loans so established on such date).

(vi) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14 (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Term Loans on such terms as may be set forth in the relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any pro rata payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.14.

2.15 Permitted Debt Exchanges.

(a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a "**Permitted Debt Exchange Offer**") made from time to time by the Borrower, the Borrower may from time to time following the Restatement Effective Date consummate one or more exchanges of Term Loans for Permitted Other Indebtedness in the form of notes (such notes, "**Permitted Debt Exchange Notes**," and each such exchange a "**Permitted Debt Exchange**"), so long as the following conditions are satisfied: (i) no Event of Default shall have occurred and be continuing at the time the final offering document in respect of a Permitted Debt Exchange Offer is delivered to the relevant Lenders, (ii) the aggregate principal amount (calculated on the face amount thereof) of Term Loans exchanged shall equal no more than the aggregate principal amount (calculated on the face amount thereof) of Permitted Debt Exchange Notes issued in exchange for such Term Loans; provided that the aggregate principal amount of the Permitted Debt Exchange Notes may include accrued interest and

premium (if any) under the Term Loans exchanged and underwriting discounts, fees, commissions and expenses in connection with the issuance of such Permitted Debt Exchange Notes, (iii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans exchanged under each applicable Class by the Borrower pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by the Borrower on the date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender shall execute and deliver to the Administrative Agent an Assignment and Acceptance, or such other form as may be reasonably requested by the Administrative Agent, in respect thereof pursuant to which the respective Lender assigns its interest in the Term Loans being exchanged pursuant to the Permitted Debt Exchange to the Borrower for immediate cancellation), (iv) if the aggregate principal amount of all Term Loans of a given Class (calculated on the face amount thereof) tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof of the applicable Class actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of such Class offered to be exchanged by the Borrower pursuant to such Permitted Debt Exchange Offer, then the Borrower shall exchange Term Loans subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such maximum amount based on the respective principal amounts so tendered, (vi) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing, and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with the Borrower and the Auction Agent, and (vii) any applicable Minimum Tender Condition shall be satisfied.

(b) With respect to all Permitted Debt Exchanges effected by the Borrower pursuant to this Section 2.15, (i) such Permitted Debt Exchanges (and the cancellation of the exchanged Term Loans in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 5.1 or 5.2, and (ii) such Permitted Debt Exchange Offer shall be made for not less than $10,000,000 in aggregate principal amount of Term Loans; provided that subject to the foregoing clause (ii), the Borrower may at its election specify as a condition (a "**Minimum Tender Condition**") to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the Borrower's discretion) of Term Loans of any or all applicable Classes be tendered.

(c) In connection with each Permitted Debt Exchange, the Borrower and the Auction Agent shall mutually agree to such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.15 and without conflict with Section 2.15(d); provided that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than a reasonable period (in the discretion of the Borrower and the Auction Agent) of time following the date on which the Permitted Debt Exchange Offer is made.

(d) The Borrower shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (x) none of the Auction Agent, the Administrative Agent nor any Lender assumes any responsibility in connection with the Borrower's compliance with such laws in connection with any Permitted Debt Exchange and (y) each Lender shall be solely responsible for its compliance with any applicable "insider trading" laws and regulations to which such Lender may be subject under the Securities Exchange Act of 1934, as amended.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Requirements of Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 13.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 7 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 4 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 3. [Reserved]

Section 4. Fees

4.1 Fees.

(a) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for its own account, administrative agent fees as have been previously agreed in writing or as may be agreed in writing from time to time.

(b) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

4.2 [Reserved].

4.3 Mandatory Termination of Commitments.

(a) The Initial Term Loan Commitments shall terminate at 5:00 p.m. (New York City time) on the Restatement Effective Date.

(b) The New Term Loan Commitment for any Series shall, unless otherwise provided in the applicable Joinder Agreement, terminate at 5:00 p.m. (New York City time) on the Increased Amount Date for such Series.

Section 5. Payments

5.1 Voluntary Prepayments.

(a) The Borrower shall have the right to prepay Loans, including Term Loans, other than as set forth in Section 5.1(b), without premium or penalty, in whole or in part from time to time on the following terms and conditions: (1) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than 12:00 noon (New York City time) (i) in the case of LIBOR Loans, three Business Days prior to or (ii) in the case of ABR Loans, one Business Day prior to the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders; (2) each partial prepayment of (i) any Borrowing of LIBOR Loans shall be in a minimum amount of $5,000,000 and in multiples of $1,000,000 in excess thereof and (ii) any ABR Loans shall be in a minimum amount of $1,000,000 and in multiples of $100,000 in excess thereof, provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such LIBOR Loans, and (3) in the case of any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto, the Borrower shall, promptly after receipt of a written request by any applicable Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be applied to the Class or Classes of Term Loans as the Borrower may specify. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be (a) applied to the Class or Classes of Term Loans as the Borrower may specify and (b) applied to reduce Initial Term Loan Repayment Amounts, any New Term Loan Repayment Amounts, and, subject

to Section 2.14(g), Extended Term Loan Repayment Amounts, as the case may be, in each case, in such order as the Borrower may specify. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

(b) In the event that, on or prior to the twelve-month anniversary of the Restatement Effective Date, the Borrower (i) makes any prepayment of Initial Term Loans in connection with any Repricing Transaction the primary purpose of which is to decrease the Effective Yield on such Term Initial Term Loans or (ii) effects any amendment of this Agreement resulting in a Repricing Transaction the primary purpose of which is to decrease the Effective Yield on the Initial Term Loans, the Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Lenders, (x) in the case of clause (i), a prepayment premium of 1.00% of the principal amount of the Initial Term Loans being prepaid in connection with such Repricing Transaction and (y) in the case of clause (ii), an amount equal to 1.00% of the aggregate amount of the applicable Initial Term Loans outstanding immediately prior to such amendment that are subject to an effective pricing reduction pursuant to such Repricing Transaction.

5.2 Mandatory Prepayments.

(a) Term Loan Prepayments.

(i) On each occasion that a Prepayment Event occurs, the Borrower shall, within three Business Days after receipt of the Net Cash Proceeds of a Debt Incurrence Prepayment Event (other than one covered by clause (iii) below) and within ten Business Days after the occurrence of any other Prepayment Event (or, in the case of Deferred Net Cash Proceeds, within ten Business Days after the Deferred Net Cash Proceeds Payment Date), prepay, in accordance with clause (c) below, Term Loans with an equivalent principal amount equal to 100% of the Net Cash Proceeds from such Prepayment Event; provided that, with respect to the Net Cash Proceeds of an Asset Sale Prepayment Event, Casualty Event or Permitted Sale Leaseback, in each case solely to the extent with respect to any Collateral, the Borrower may use a portion of such Net Cash Proceeds to prepay or repurchase Permitted Other Indebtedness (and with such prepaid or repurchased Permitted Other Indebtedness permanently extinguished) with a Lien on the Collateral ranking equal with the Liens securing the Obligations to the extent any applicable Permitted Other Indebtedness Document requires the issuer of such Permitted Other Indebtedness to prepay or make an offer to purchase such Permitted Other Indebtedness with the proceeds of such Prepayment Event, in each case in an amount not to exceed the product of (x) the amount of such Net Cash Proceeds *multiplied* by (y) a fraction, the numerator of which is the outstanding principal amount of the Permitted Other Indebtedness with a Lien on the Collateral ranking equal with the Liens securing the Obligations and with respect to which such a requirement to prepay or make an offer to purchase exists and the denominator of which is the sum of the outstanding principal amount of such Permitted Other Indebtedness and the outstanding principal amount of Term Loans.

(ii) Not later than ten Business Days after the date on which financial statements are required to be delivered pursuant to Section 9.1(a) for any fiscal year (commencing with and including the fiscal year ending January 28, 2017), the Borrower shall prepay (or cause to be prepaid), in accordance with clause (c) below, Term Loans with a principal amount equal to (x) 50% of Excess Cash Flow for such fiscal year; provided that (A) the percentage in this Section 5.2(a)(ii) shall be reduced to 25% if the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio on the date of prepayment (prior to giving effect thereto but giving effect to any prepayment described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended prior to such prepayment date is less than or equal to 4.00 to 1.00 but greater than 3.75 to 1.00 and (B) no payment of any Term

Loans shall be required under this Section 5.2(a)(ii) if the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio on the date of prepayment (prior to giving effect thereto but giving effect to any prepayment described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended prior to such prepayment date is less than or equal to 3.75 to 1.00, *minus* (y) the principal amount of Term Loans voluntarily prepaid pursuant to Section 5.1 or Section 13.6 (in each case, including purchases of the Loans by the Borrower and its Subsidiaries at or below par, in which case the amount of voluntary prepayments of Loans shall be deemed not to exceed the actual purchase price of such Loans below par) during such fiscal year or after such fiscal year and prior to the date of the required Excess Cash Flow payment and other than to the extent any such prepayment is funded with the proceeds of Funded Debt.

(iii) On each occasion that Permitted Other Indebtedness is issued or incurred pursuant to Section 10.1(w), the Borrower shall within three Business Days of receipt of the Net Cash Proceeds of such Permitted Other Indebtedness prepay, in accordance with clause (c) below, Term Loans with a principal amount equal to 100% of the Net Cash Proceeds from such issuance or incurrence of Permitted Other Indebtedness.

(iv) Notwithstanding any other provisions of this Section 5.2, (A) to the extent that any or all of the Net Cash Proceeds of any Prepayment Event by a Subsidiary that is not the Borrower or a Subsidiary Credit Party giving rise to a prepayment pursuant to clause (i) above (a "**Non-Credit Party Prepayment Event**") or Excess Cash Flow are prohibited or delayed by any Requirements of Law from being repatriated to the Borrower and the Subsidiary Credit Parties, an amount equal to the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Loans at the times provided in clauses (i) and (ii) above, as the case may be, but only so long, as the applicable Requirements of Law will not permit repatriation to the Borrower and the Subsidiary Credit Parties (the Credit Parties hereby agreeing to cause the applicable Subsidiary to promptly take all actions reasonably required by the applicable Requirements of Law to permit repatriation), and once a repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable Requirements of Law, an amount equal to such Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than ten Business Days after such repatriation is permitted) applied (net of any taxes that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) to the repayment of the Loans pursuant to clauses (i) and (ii) above, as applicable, and (B) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Non-Credit Party Prepayment Event or Excess Cash Flow would have a material adverse tax consequence with respect to such Net Cash Proceeds or Excess Cash Flow, an amount equal to the Net Cash Proceeds or Excess Cash Flow so affected may be retained by the applicable Subsidiary; provided that in the case of this clause (B), on or before the date on which any Net Cash Proceeds from any Non-Credit Party Prepayment Event so retained would otherwise have been required to be applied to reinvestments or prepayments pursuant to clause (i) above or, in the case of Excess Cash Flow, a date on or before the date that is eighteen months after the date an amount equal to such Excess Cash Flow would have so required to be applied to prepayments pursuant to clause (ii) above unless previously actually repatriated in which case such repatriated Excess Cash Flow shall have been promptly applied to the repayment of the Term Loans pursuant to clause (ii) above, (x) the Borrower shall apply an amount equal to such Net Cash Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Cash Proceeds or Excess Cash Flow had been received by the Borrower and the Subsidiary Credit Parties rather than such Subsidiary, less the amount of any taxes that would have been payable or reserved against if such Net Cash Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Cash Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary) or (y) such Net Cash Proceeds or Excess Cash Flow shall be applied to the repayment of Indebtedness of a Subsidiary that is not a Credit Party. For the avoidance of doubt, nothing in this Agreement, including Section 5 shall be construed to require any Subsidiary to repatriate cash.

(b) [Reserved].

(c) Application to Repayment Amounts. Subject to Section 5.2(f), each prepayment of Term Loans required by Section 5.2(a)(i) or (ii) shall be allocated pro rata among the Initial Term Loans, the New Term Loans and the Extended Term Loans based on the applicable remaining Repayment Amounts due thereunder and shall be applied within each Class of Term Loans in respect of such Term Loans in direct order of maturity thereof or as otherwise directed by the Borrower; provided that if any Class of Extended Term Loans have been established hereunder, the Borrower may allocate such prepayment in its sole discretion to the Term Loans of the Existing Term Loan Class, if any, from which such Extended Term Loans were converted (except, as to Term Loans made pursuant to a Joinder Agreement, as otherwise set forth in such Joinder Agreement, or as to a Replacement Term Loan). Subject to Section 5.2(f), with respect to each such prepayment, the Borrower will, not later than the date specified in Section 5.2(a) for making such prepayment, give the Administrative Agent written notice which shall include a calculation of the amount of such prepayment to be applied to each Class of Term Loans requesting that the Administrative Agent provide notice of such prepayment to each Initial Term Loan Lender, New Term Loan Lender or Lender of Extended Term Loans, as applicable.

(d) Application to Term Loans. With respect to each prepayment of Term Loans required by Section 5.2(a), the Borrower may, if applicable, designate the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made; provided, that if any Lender has provided a Rejection Notice in compliance with Section 5.2(f), such prepayment shall be applied with respect to the Term Loans to be prepaid on a pro rata basis across all outstanding Types of such Term Loans in proportion to the percentage of such outstanding Term Loans to be prepaid represented by each such Class. In the absence of a Rejection Notice or a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(e) [Reserved].

(f) Rejection Right. The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a) at least three Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Lender holding Term Loans of the contents of such prepayment notice and of such Lender's pro rata share of the prepayment. Each Term Loan Lender may reject all (but not less than all) of its pro rata share of any mandatory prepayment other than any such mandatory prepayment with respect to a Debt Incurrence Prepayment Event under Section 5.2(a)(i) or Permitted Other Indebtedness under Section 5.2(a)(iii) (such declined amounts, the "**Declined Proceeds**") of Term Loans required to be made pursuant to Section 5.2(a) by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent no later than 5:00 p.m. (New York City time) one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. If a Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds remaining after offering such Declined Proceeds to the Lenders in accordance with the terms hereof shall be retained by the Borrower ("**Retained Declined Proceeds**").

5.3 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto, as the case may be, not later than 12:00 noon (New York City time) on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall, unless otherwise specified in such Credit Document, be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 12:00 noon (New York City time) or, otherwise, on the next Business Day in the Administrative Agent's sole discretion) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 12:00 noon (New York City time) may be deemed to have been made on the next succeeding Business Day in the Administrative Agent's sole discretion for purposes of calculating interest thereon. Except as otherwise provided herein, whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes.

(ii) If any applicable Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 5.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholding or deductions been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or timely reimburse the Administrative Agent or any Lender for the payment of any Other Taxes.

(c) Tax Indemnifications. Without limiting the provisions of subsection (a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) payable by the Administrative Agent or such Lender, as the case may be, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole determination of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it. Any resulting refund shall be governed by Section 5.4(f).

(d) Evidence of Payments. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders and Tax Documentation.

(i) Each Lender shall deliver to the Borrower and to the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. Any documentation and information required to be delivered by a Lender pursuant to this Section 5.4(e) (including any specific documentation set forth in subsection (ii) below) shall be delivered by such Lender (i) on or prior to the Restatement Effective Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before any date on which such documentation expires or becomes obsolete or invalid, (iii) promptly after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower and the Administrative Agent, and (iv) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided. Each Lender hereby authorizes the Administrative Agent to deliver to the Borrower and to any successor Administrative Agent any documentation provided to the Administrative Agent pursuant to this Section 5.4(e).

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "**U.S. Lender**") shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two executed originals of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding and such other documentation or information prescribed by applicable laws or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements;

(B) each Non-U.S. Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two copies of whichever of the following is applicable:

(1) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party;

(2) executed originals of Internal Revenue Service Form W-8ECI (or any successor form thereto);

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, substantially in the form of Exhibit J-1, J-2, J-3 or J-4, as applicable, (a "**Non-Bank Tax Certificate**"), to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and that no payments under any Credit Document are effectively connected with such Non-U.S. Lender's conduct of a United States trade or business and (y) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form);

(4) where such Lender is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), executed originals of Internal Revenue Service Form W-8IMY (or any successor thereto) and all required supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the portfolio interest exemption, a Non-Bank Tax Certificate of such beneficial owner(s)) (provided that, if the Non-U.S. Lender is a partnership and not a participating Lender, the Non-Bank Tax Certificate(s) may be provided by the Non-U.S. Lender on behalf of a direct or indirect partner); or

(5) executed originals of any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in United States federal withholding Tax together with such supplementary documentation as may be prescribed by applicable laws to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made;

(C) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or

1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

(D) If the Administrative Agent is a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide the Borrower with two duly completed original copies of Internal Revenue Service Form W-9. If the Administrative Agent is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide an applicable Form W-8 (together with required accompanying documentation) with respect to payments to be received by it on behalf of the Lenders.

(iii) Notwithstanding anything to the contrary in this Section 5.4, no Lender or the Administrative Agent shall be required to deliver any documentation that it is not legally eligible to deliver.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 5.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 5.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (provided that the Administrative Agent or such Lender may delete any information therein that it reasonably deems confidential). Notwithstanding anything to the contrary in this paragraph (f), in no event will the Administrative Agent or any Lender be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than the Administrative Agent or any Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 5.4, the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Credit Documents.

5.5 Computations of Interest and Fees.

(a) Except as provided in the next succeeding sentence, interest on LIBOR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8; provided that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

Section 6. Conditions Precedent to Initial Borrowing

The initial Borrowing under this Agreement is subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents.

The Administrative Agent (or its counsel) shall have received:

(a) Amendment No. 2, executed and delivered by a duly Authorized Officer of the Borrower, the Guarantors, and each Lender with an Initial Term Loan Commitment.

(b) this Agreement, executed and delivered by a duly Authorized Officer of the Borrower, Holdings and the Texas Intermediate Holdcos;

(c) the Guarantees, executed and delivered by a duly Authorized Officer of each of the respective Guarantors;

(d) the Pledge Agreement, executed and delivered by a duly Authorized Officer of Holdings, the Borrower and each Guarantor;

(e) the Security Agreement, executed and delivered by a duly Authorized Officer of the Borrower and each Subsidiary Guarantor; and

(f) the ABL Intercreditor Agreement, executed and delivered by a duly Authorized Officer of each of the ABL Administrative Agent, the Administrative Agent and the Collateral Agent.

6.2 Collateral. Except for any items referred to on Schedule 9.14:

(a) All outstanding equity interests in whatever form of each Restricted Subsidiary that is directly owned by or on behalf of any Credit Party and required to be pledged pursuant to the Security Documents shall have been pledged pursuant thereto;

(b) The Collateral Agent shall have received the certificates representing securities of each Credit Party's Wholly Owned Restricted Subsidiaries and all promissory notes evidencing Indebtedness that is owing to the Borrower or any other Credit Party, in each case, to the extent required to be delivered under the Security Documents and pledged under the Security Documents to the extent certificated, accompanied by instruments of transfer and undated stock powers or allonges endorsed in blank;

(c) All Uniform Commercial Code financing statements and intellectual property security agreements required to be filed, registered or recorded to create the Liens intended to be created by any Security Document and perfect such Liens to the extent required by such Security Document shall have been delivered to the Collateral Agent, and shall be in proper form, for filing, registration or recording; and

(d) Evidence that all other actions, recordings and filings required by the Security Documents shall have been taken, completed or otherwise provided for thereunder and as provided for therein.

6.3 Legal Opinions. The Administrative Agent (or its counsel) shall have received the executed legal opinion, in customary form, of Simpson Thacher & Bartlett LLP, special New York counsel to the Credit Parties. The Borrower hereby instructs and agrees to instruct the other Credit Parties to have such counsel deliver such legal opinions.

6.4 [Reserved].

6.5 Closing Certificates. The Administrative Agent (or its counsel) shall have received a certificate of each of Holdings, the Borrower and the other Guarantors, dated the Restatement Effective Date, substantially in the form of Exhibit E, with appropriate insertions, executed by any Authorized Officer and the Secretary or any Assistant Secretary of Holdings, the Borrower and each other Guarantor, as applicable, and attaching the documents referred to in Section 6.6 and (y) an Authorized Officer certifying compliance with Section 7.1 and certifying that, since January 31, 2015, there has not been any event, change, development, occurrence, or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.6 Authorization of Proceedings of the Borrower and the Guarantors; Corporate Documents. The Administrative Agent shall have received (i) a copy of the resolutions of the board of directors or other managers of Holdings, the Borrower and the other Guarantors (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (b) in the case of the Borrower, the extensions of credit contemplated hereunder, (ii) the Certificate of Incorporation and By-Laws, Certificate of Formation and Operating Agreement or other comparable organizational documents, as applicable, of Holdings, the Borrower and the other Guarantors, and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of Holdings, the Borrower and the other Guarantors executing the Credit Documents to which it is a party.

6.7 Fees. The Agents and Lenders shall have received, substantially simultaneously with the funding of the Initial Term Loans, fees and, to the extent invoiced at least three business days prior to the Restatement Effective Date (except as otherwise reasonably agreed by the Borrower) expenses in the amounts previously agreed in writing to be received on the Restatement Effective Date (which amounts may, at the Borrower's option, be offset against the proceeds of the Initial Term Loans). Simultaneous with funding of the Initial Term Loans, the Term Loan Lenders (as defined in the Existing Term Loan Facility) under the Existing Term Loan Facility shall have been paid all accrued principal and interest under the Existing Term Loan Facility.

6.8 [Reserved].

6.9 Solvency Certificate. On the Restatement Effective Date, the Administrative Agent shall have received a certificate from the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower to the effect that after giving effect to the consummation of the Transactions, the Borrower on a consolidated basis with the Restricted Subsidiaries is Solvent.

6.10 [Reserved].

6.11 Patriot Act. The Administrative Agent and the Joint Lead Arrangers shall have received at least two Business Days prior to the Restatement Effective Date such documentation and information as is reasonably requested in writing at least ten calendar days prior to the Restatement Effective Date by the Administrative Agent or the Joint Lead Arrangers about the Credit Parties to the extent required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

6.12 Financial Statements. The Joint Lead Arrangers and Bookrunners shall have received the Historical Financial Statements.

6.13 No Material Adverse Effect. Since January 31, 2015, there has not occurred any event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.14 Refinancing. Substantially simultaneously with the funding of the Initial Term Loans, the Restatement Effective Date Refinancing shall be consummated.

For purposes of determining compliance with the conditions specified in Section 6 on the Restatement Effective Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Restatement Effective Date specifying its objection thereto.

Section 7. Conditions Precedent to All Credit Events.

The agreement of each Lender to make any Loan requested to be made by it on any date is subject to the satisfaction (or waiver) of the following conditions precedent:

7.1 No Default; Representations and Warranties. At the time of each Credit Event and also after giving effect thereto (other than pursuant to any Loan made pursuant to Section 2.14 (which shall be subject to the applicable terms of Section 2.14) (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) as of such earlier date).

7.2 Notice of Borrowing. Prior to the making of each Term Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified in Section 7 above have been satisfied as of that time.

Section 8. Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans as provided for herein, the Borrower (and, with respect to Sections 8.1, 8.2, 8.3, 8.10 and 8.19 only, Holdings and each Texas Intermediate Holdco) makes the following representations and warranties to the Lenders, all of

which shall survive the execution and delivery of this Agreement and the making of the Loans (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law):

8.1 Corporate Status. Each Credit Party and each Delaware Intermediate Holdco (a) is a duly organized and validly existing corporation, limited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Each Credit Party and each Delaware Intermediate Holdco has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party and each Delaware Intermediate Holdco has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party or Delaware Intermediate Holdco, as applicable, enforceable in accordance with its terms (provided that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent enforceability of such obligation with respect to which Capital Stock and Stock Equivalents of Foreign Subsidiaries is governed by the Uniform Commercial Code), except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

8.3 No Violation. Neither the execution, delivery or performance by any Credit Party or any Delaware Intermediate Holdco of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Transactions and the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents or Permitted Liens) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a "**Contractual Requirement**") other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect or (c) violate any provision of the certificate of incorporation, by-laws, articles or other organizational documents of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (after giving effect to the Transactions).

8.4 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

8.5 Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of each Credit Document does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings or consents the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect.

8.7 Investment Company Act. None of the Borrower or any Restricted Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Restricted Subsidiaries or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger, and/or any Lender on or before the Restatement Effective Date (including all such written information and data contained in (i) the Lender Presentation (as updated prior to the Restatement Effective Date and including all information incorporated by reference therein) and (ii) the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates), it being understood and agreed that for the purposes of this Section 8.8(a), such factual information and data shall not include pro forma financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking statements or information) or other forward looking information and information of a general economic or general industry nature.

(b) The projections (including financial estimates, forecasts, and other forward-looking information) contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

8.9 Financial Condition; Financial Statements.

(a) (i) The unaudited historical consolidated financial information of the Borrower as set forth in the Lender Presentation, and (ii) the Historical Financial Statements, in each case present fairly in all material respects the consolidated financial position of the Borrower at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The Historical Financial Statements have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes to said financial statements.

(b) There has been no Material Adverse Effect since the Restatement Effective Date.

Each Lender and the Administrative Agent hereby acknowledges and agrees that the Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default or an Event of Default under the Credit Documents.

8.10 Compliance with Laws; No Default. Each Credit Party and each Delaware Intermediate Holdco is in compliance with all Requirements of Law applicable to it or its property, including without limitation, all applicable laws administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the Foreign Corrupt Practices Act of 1977 as amended, and the rules and regulations promulgated thereunder, except where the failure to be so in compliance would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

8.11 Tax Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (a) each of the Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) with respect thereto in accordance with GAAP and (b) each of the Borrower and each of the Restricted Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) in accordance with GAAP for the payment of all Taxes not yet due and payable. There is no current or proposed Tax assessment, deficiency or other claim against the Borrower or any Restricted Subsidiary that would reasonably be expected to result in a Material Adverse Effect.

8.12 Compliance with ERISA.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, no Foreign Plan Event has occurred or is reasonably expected to occur.

8.13 Subsidiaries. Schedule 8.13 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Restatement Effective Date.

8.14 Intellectual Property. Each of the Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure to own or have a right to use such Intellectual Property would not reasonably be expected to have a Material Adverse Effect. The operation of their respective businesses by each of the Borrower and the Restricted Subsidiaries does not infringe upon, misappropriate, violate or otherwise conflict with the Intellectual Property of any third party, except as would not reasonably be expected to have a Material Adverse Effect.

8.15 Environmental Laws.

(a) Except as set forth on Schedule 8.15, or as would not reasonably be expected to have a Material Adverse Effect: (i) each of the Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of the Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of the Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of the Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 8.15, none of the Borrower or any of the Restricted Subsidiaries has treated, stored, transported, Released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or formerly owned or operated property nor, to the knowledge of the Borrower, has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected to have a Material Adverse Effect.

8.16 Properties.

(a) (i) Each of the Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) and except where the failure to have such good title or interest would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and (ii) no Mortgage encumbers improved Real Estate that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the Flood Insurance Laws, unless flood insurance available under such Flood Insurance Laws has been obtained in accordance with Section 9.3(b).

(b) Set forth on Schedule 1.1(a) is a list of each real property owned by the Borrower or any Subsidiary Credit Party as of the Restatement Effective Date having a Fair Market Value in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period.

8.17 Solvency. On the Restatement Effective Date (after giving effect to the Transactions) immediately following the making of the Loans and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with the Restricted Subsidiaries will be Solvent.

8.18 Patriot Act. On the Restatement Effective Date, the use of proceeds of the Loans will not violate the Patriot Act in any material respect.

8.19 Security Interest in Collateral. Subject to the provisions of this Agreement and the other Credit Documents, the Credit Documents create legal, valid, and enforceable Liens on all of the Collateral in favor of the Collateral Agent, for the benefit itself and the other Secured Parties, subject, as to enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing, and upon the making of such filings and taking of such other actions required to be taken hereby or by the applicable Credit Documents (including the filing of appropriate UCC financing statements with the office of the Secretary of State of the state of organization of each Credit Party or equivalent filings under applicable foreign law, the filing of appropriate notices with the U.S. Patent and Trademark Office and the U.S. Copyright Office, and the proper recordation of Mortgages and fixture filings with respect to any Mortgaged Property, in each case in favor of the Collateral Agent for the benefit of the Secured Parties and the delivery to the Collateral Agent of any stock certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents), such Liens constitute perfected and continuing Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions subject to no other Liens (other than Liens permitted by Section 10.2).

Section 9. Affirmative Covenants.

The Borrower (and, with respect to Sections 9.11, 9.12 and 9.14 only, Holdings) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments have terminated in accordance with the terms of this Agreement and the Loans, together with interest, Fees and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations), are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of each fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal years, all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern (other than any qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date under any Indebtedness, (ii) any potential inability to satisfy a financial maintenance covenant on a future date or in a future period or (iii) the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiary).

(b) Quarterly Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 45 days after the end of each such quarterly accounting period), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of such quarterly period and the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of the applicable quarterly period, and, commencing with the quarter ending August 1, 2015, setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the related period in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Restricted Subsidiaries in accordance with GAAP (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes.

(c) Budgets. Prior to an IPO, within 90 days after the commencement of each fiscal year of the Borrower, a consolidated budget of the Borrower in reasonable detail on a quarterly basis for such fiscal year as customarily prepared by management of the Borrower for its internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting

forth the principal assumptions upon which such budget is based (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Borrower stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time of preparation of such Projections, it being understood and agreed that such Projections and assumptions as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material.

(d) Officer's Certificates. Not later than five days after the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth (i) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Restatement Effective Date or the most recent fiscal year or period, as the case may be and (ii) the then applicable Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio and underlying calculations in connection therewith. At the time of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) to the Person organized in a jurisdiction where an organizational identification number is required to be included in a Uniform Commercial Code financing statement, in each case for each Credit Party or confirming that there has been no change in such information since the Restatement Effective Date or the date of the most recent certificate delivered pursuant to this clause (d), as the case may be.

(e) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that would reasonably be expected to be determined adversely and, if so determined, to result in a Material Adverse Effect.

(f) Environmental Matters. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge of any one or more of the following environmental matters, unless such environmental matters would not reasonably be expected to result in a Material Adverse Effect, notice of:

(i) any pending or threatened Environmental Claim against any Credit Party or any Real Estate; and

(ii) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, Release or threatened Release of any Hazardous Material on, at, under or from any Real Estate.

All such notices shall describe in reasonable detail the nature of the claim, investigation or removal, remedial or other corrective action in response thereto. The term "**Real Estate**" shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

(g) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements (other than drafts of pre-effective versions of registration statements) with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Restricted Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices, and reports that the Borrower or any of the Restricted Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Restricted Subsidiaries, in their capacity as such holders, lenders or agents (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; provided that none of the Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective contractors) is prohibited by law, or any binding agreement, (iii) that is subject to attorney client or similar privilege or constitutes attorney work product or (iv) that is otherwise subject to Section 13.16 or the limitations set forth in Section 9.2.

(h) Lender Calls. Prior to an IPO, to the extent requested by the Administrative Agent, the Borrower shall conduct quarterly conference calls with management of the Borrower and the Lenders (at such times as reasonably agreed by the Borrower and the Administrative Agent) to discuss the financial performance of the Borrower and the Restricted Subsidiaries.

Documents required to be delivered pursuant to clauses (a), (b), and (g) of this Section 9.1 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet; (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another 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), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov; provided that (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section may be satisfied with respect to financial information of the Borrower and its Restricted Subsidiaries by furnishing (A) the Form 10-K or 10-Q (or the equivalent), as applicable, of the Borrower (or a parent company thereof) filed with the SEC or with a similar regulatory authority in a foreign jurisdiction or (B) the applicable financial statements of Holdings (or any direct or indirect parent of Holdings); provided that to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

Each Credit Party hereby acknowledges and agrees that, unless the Borrower notifies the Administrative Agent in advance, all financial statements and certificates furnished pursuant to Sections 9.1(a), (b) and (d) above are hereby deemed to be suitable for distribution, and to be made available, to all Lenders and may be treated by the Administrative Agent and the Lenders as not containing any material nonpublic information.

9.2 Books, Records, and Inspections. The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, excluding any such visits and inspections during the continuation of an Event of Default, (a) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (b) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at the Borrower's expense, and (c) notwithstanding anything to the contrary in this Section 9.2, none of the Borrower or any of the Restricted Subsidiaries 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 (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any agreement binding on a third-party or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower independent public accountants.

9.3 Maintenance of Insurance. (a) The Borrower will, and will cause each Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried and (b) with respect to each Mortgaged Property, the Borrower will obtain flood insurance in such form and in such total amount as may reasonably be required by the

Collateral Agent, if at any time the area in which any improvements located on any Mortgaged Property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and otherwise comply with the Flood Insurance Laws. Each such policy of insurance shall (i) name the Collateral Agent, on behalf of the Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a mortgagee/loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties as the mortgagee/loss payee thereunder.

9.4 Payment of Taxes. The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it (including in its capacity as a withholding agent) or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Restricted Subsidiaries; provided that neither the Borrower nor any of the Restricted Subsidiaries shall be required to pay any such Tax that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto in accordance with GAAP or the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

9.5 Preservation of Existence; Consolidated Corporate Franchises. The Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Permitted Investments and Sections 10.2, 10.3, 10.4, or 10.5.

9.6 Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Restricted Subsidiary to, (a) comply with all applicable laws, rules, regulations, and orders applicable to it or its property, including, without limitation, applicable laws administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations promulgated thereunder, and all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, (b) comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws, and (c) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives which are being timely contested in good faith by proper proceedings, except in each case of (a), (b), and (c) of this Section 9.6, where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

9.7 ERISA. (a) The Borrower will furnish to the Administrative Agent promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Credit Party or any of its Subsidiaries may request with respect to any Multiemployer Plan to which a Credit Party or any of its Subsidiaries is obligated to contribute; provided that if the Credit Parties or any of their Subsidiaries have not requested such documents or notices from the administrator or sponsor of the

applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Credit Parties shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; provided, further, that the rights granted to the Administrative Agent in this Section shall be exercised not more than once during a 12-month period, and (b) the Borrower will notify the Administrative Agent promptly following the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, would reasonably be expected to result in liability of any Credit Party that would reasonably be expected to have a Material Adverse Effect.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, (i) keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted and (ii) prosecute, maintain, enforce and protect its Intellectual Property material to the conduct of its business, except, in each case, to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower and the Restricted Subsidiaries) involving aggregate payments or consideration in excess of $25,000,000 at the time of such Affiliate transaction, for any individual transaction or series of related transactions on terms that are at least substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, as determined by the board of directors of the Borrower or such Restricted Subsidiary in good faith; provided that the foregoing restrictions shall not apply to (a) the payment of fees to the Sponsor for management, consulting and financial services rendered to the Borrower and the Restricted Subsidiaries pursuant to the Sponsor Management Agreement and customary investment banking fees paid to the Sponsor for services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions which payments are approved by a majority of the board of directors of the Borrower in good faith, (b) transactions permitted by Section 10.5, (c) consummation of the Transactions and the payment of the Transaction Expenses, (d) the issuance of Capital Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents, (e) loans, advances and other transactions between or among the Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which the Borrower or any Subsidiary has invested (and which Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or a Subsidiary's ownership of Capital Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers, employees or consultants (including management and employee benefit plans or agreements, stock option plans and other compensatory arrangements) in the ordinary course of business (including loans and advances in connection therewith), (g) payments by the Borrower (and any direct or indirect parent thereof) and the Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Subsidiaries that are permitted under Section 10.5(b)(15); provided that in each case the amount of such payments in any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such direct or indirect parent company of the Borrower, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers or employees of the Borrower (or any

direct or indirect parent thereof) and the Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Subsidiaries, (i) transactions undertaken pursuant to membership in a purchasing consortium, (j) transactions pursuant to any agreement or arrangement as in effect as of the Restatement Effective Date, or any amendment, modification, supplement or replacement thereto (so long as any such amendment, modification, supplement or replacement is not disadvantageous in any material respect to the Lenders when taken as a whole as compared to the applicable agreement as in effect on the Restatement Effective Date as determined by the Borrower in good faith), (k) customary payments by the Borrower (or any direct or indirect parent) and any Restricted Subsidiaries to the Sponsor made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), (l) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in contemplation of such designation or redesignation, as applicable, (m) Affiliate repurchases of the Loans or Commitments to the extent permitted hereunder and the holding of such Loans or Commitments and the payments and other transactions contemplated herein in respect thereof, (n) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility and (o) undertaking or consummating any IPO Reorganization Transactions.

9.10 End of Fiscal Years. The Borrower will, for financial reporting purposes, cause each of its, and each of the Restricted Subsidiaries', fiscal years to end on dates consistent with past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent change the financial reporting convention specified above to (x) align the dates of such fiscal year and for any Restricted Subsidiary whose fiscal years end on dates different from those of the Borrower or (y) any other financial reporting convention (including a change of fiscal year) reasonably acceptable (such consent not to be unreasonably withheld or delayed) to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors. Subject to any applicable limitations set forth in the Security Documents, (x) the Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the Closing Date (including pursuant to a Permitted Acquisition) and the Borrower will cause each other Subsidiary that ceases to constitute an Excluded Subsidiary and (y) subject to Section 9.14 in the case of the Delaware Intermediate Holdcos, Holdings will cause each direct or indirect Subsidiary (other than the Borrower and its Subsidiaries) formed or otherwise purchased or acquired after the Closing Date that directly or indirectly through a Subsidiary own or holds any Capital Stock or Stock Equivalents of the Borrower or that is a Delaware Intermediate Holdco that is required to Guarantee the Obligations pursuant to Section 9.14, in each case, within 60 days from the date of such formation, acquisition or cessation (or, in the case of the Delaware Intermediate Holdcos, the period set forth in Section 9.14), as applicable (or such longer period as the Administrative Agent may agree in its reasonable discretion), and the Borrower may at its option cause any other Subsidiary, to execute a supplement to each of the Guarantee, the Pledge Agreement and the Security Agreement in order to become a Guarantor under the Guarantee and a grantor under such Security Documents or, to the extent reasonably requested by the Collateral Agent, enter into a new Security Document substantially consistent with the analogous existing Security Documents and otherwise in form and substance reasonably satisfactory to the Collateral Agent and take all other action reasonably requested by the Collateral Agent to grant a perfected security interest in its assets to

substantially the same extent as created and perfected by the Borrower and the Subsidiary Credit Parties (or in the case of clause (y) above, to substantially the same extent as created and perfected by Holdings and the Texas Intermediate Holdcos) on the Closing Date and pursuant to Section 9.14(d) in the case of such Credit Parties. For the avoidance of doubt, no Credit Party or any Restricted Subsidiary that is a Domestic Subsidiary shall be required to take any action outside the United States to perfect any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, any State thereof or the District of Columbia).

9.12 Pledge of Additional Stock and Evidence of Indebtedness. Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, Holdings will cause (i) all certificates representing Capital Stock and Stock Equivalents of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by Holdings or any other Credit Party, (ii) all evidences of Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of any disposition of assets pursuant to Section 10.4(b) received by Holdings, the Borrower or any of the Guarantors in connection with any disposition of assets pursuant to Section 10.4(b), and (iii) any promissory notes executed after the Closing Date evidencing Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such promissory note is executed of Holdings or any Subsidiary that is owing to Holdings or any other Credit Party, in each case, to be delivered to the Collateral Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the terms of the Security Documents. Notwithstanding the foregoing any promissory note among the Borrower and/or its Subsidiaries need not be delivered to the Collateral Agent so long as (i) a global intercompany note superseding such promissory note has been delivered to the Collateral Agent, (ii) such promissory note is not delivered to any other party other than the Borrower or any Subsidiary Credit Party, in each case, owed money thereunder, and (iii) such promissory note indicates on its face that it is subject to the security interest of the Collateral Agent.

9.13 Use of Proceeds. The Borrower will use the proceeds of the Initial Term Loans and borrowings under the ABL Facility to effect the Transactions, with any remaining amounts available for general corporate purposes.

9.14 Further Assurances.

(a) Subject to the terms of Sections 9.11 and 9.12, this Section 9.14 and the Security Documents, Holdings will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements, and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust, and other documents) that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in

writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, if any assets (other than Excluded Property) (including any real estate or improvements thereto or any interest therein but excluding any real estate which the applicable Credit Party intends to dispose of pursuant to a Permitted Sale Leaseback so long as actually disposed of within 540 days of acquisition (or such longer period as the Administrative Agent may reasonably agree)) with a book value in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (at the time of acquisition) are acquired by the Borrower or any other Subsidiary Credit Party after the Closing Date (other than assets constituting Collateral under a Security Document that become subject to the Lien of the applicable Security Document upon acquisition thereof) that are of a nature secured by a Security Document or that constitute a fee interest in real property in the United States, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the Obligations (provided, however, that in the event any Mortgage delivered pursuant to this clause (b) shall incur any mortgage recording tax or similar charges in connection with the recording thereof, such Mortgage shall not secure an amount in excess of the Fair Market Value of the applicable Mortgaged Property) and will take, and cause the other applicable Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 90 days, unless extended by the Administrative Agent in its sole discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.14.

(c) Any Mortgage delivered to the Administrative Agent in accordance with the preceding clause (b) shall, if requested by the Collateral Agent, be received as soon as commercially reasonable but in no event later than 90 days (except as set forth in the preceding clause (b)), unless extended by the Administrative Agent acting reasonably and accompanied by (x) a policy or policies (or an unconditional binding commitment therefor to be replaced by a final title policy) of title insurance issued by a nationally recognized title insurance company, in such amounts as reasonably acceptable to the Administrative Agent not to exceed the Fair Market Value of the applicable Mortgaged Property, insuring the Lien of each Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 10.2 or as otherwise permitted by the Administrative Agent and otherwise in form and substance reasonably acceptable to the Administrative Agent, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request but only to the extent such endorsements are (i) available in the relevant jurisdiction (provided in no event shall the Administrative Agent request a creditors' rights endorsement) and (ii) available at commercially reasonable rates, (y) an opinion of local counsel to the applicable Credit Party in form and substance reasonably acceptable to the Administrative Agent, (z) a completed "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination, and if any improvements on such Mortgaged Property are located in a special flood hazard area, (i) a notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Credit Parties and (ii) evidence of insurance required by Section 9.3 in form and substance reasonably satisfactory to the Administrative Agent, and (aa) an ALTA survey in a form and substance reasonably acceptable to the Collateral Agent or such existing survey together with a no-change affidavit sufficient for the title company to remove all standard survey exceptions from the Title Policy related to such Mortgaged Property and issue the endorsements required in (x) above.

(d) Post-Closing Covenant. The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.14 as soon as commercially reasonable and by no later than the date set forth in Schedule 9.14 with respect to such action or such later date as the Administrative Agent may reasonably agree.

9.15 Maintenance of Ratings. The Borrower will use commercially reasonable efforts to obtain and maintain (but not maintain any specific rating) a corporate family and/or corporate credit rating in respect of the Borrower, as applicable, and ratings in respect of the credit facilities provided pursuant to this Agreement, in each case, from each of S&P and Moody's.

9.16 Lines of Business. The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Subsidiaries, taken as a whole, on the Restatement Effective Date and other business activities which are extensions thereof or otherwise incidental, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment).

Section 10. Negative Covenants.

The Borrower (and, with respect to Section 10.7 only, Holdings and each Intermediate Holdco) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments have terminated in accordance with the terms of this Agreement and the Loans, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations), are paid in full:

10.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of its Restricted Subsidiaries to create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Guarantors, preferred stock; provided that the Borrower and its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred stock, if, after giving effect thereto, the Fixed Charge Coverage Ratio of the Borrower and the Restricted Subsidiaries would be at least 2.00 to 1.00; provided, further, that the amount of Indebtedness (other than Acquired Indebtedness), Disqualified Stock and preferred stock that may be incurred pursuant to the foregoing together with any amounts incurred under Section 10.1(n)(x) by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (x) $165,000,000 and (y) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at any one time outstanding.

The foregoing limitations will not apply to:

(a) Indebtedness arising under the Credit Documents;

(b) (i) Indebtedness represented by the ABL Facility and any guarantee thereof in an aggregate principal amount (together with any Refinancing Indebtedness in respect thereof and all accrued interest, fees and expenses) not to exceed the greater of (A) $650,000,000 and (B) the Borrowing Base Basket as of the date of such incurrence and (ii) Indebtedness represented by the Existing Finco Notes and Existing Senior Notes and any guarantee thereof; provided that such Existing Finco Notes and Existing Senior Notes have been defeased;

(c) (i) Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 (other than intercompany Indebtedness owed by a Credit Party to another Credit Party);

(d) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock incurred by the Borrower or any Restricted Subsidiary, to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of the Borrower or any Restricted Subsidiary under or pursuant to any "synthetic lease" transactions to on-balance sheet Indebtedness of the Borrower or such Restricted Subsidiary, in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (d) and all Refinancing Indebtedness incurred to refinance any other Indebtedness, Disqualified Stock and preferred stock incurred pursuant to this clause (d), does not exceed the greater of (x) $150,000,000 and (y) 35% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence; provided that Capitalized Lease Obligations incurred by the Borrower or any Restricted Subsidiary pursuant to this clause (d) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitation so long as the proceeds of such Permitted Sale Leaseback are used by the Borrower or such Restricted Subsidiary to permanently repay outstanding Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback (excluding any Lien ranking junior to the Lien securing the Obligations);

(e) Indebtedness incurred by the Borrower or any Restricted Subsidiary (including letter of credit obligations consistent with past practice constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, deferred compensation, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(f) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary or other Person, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Borrower to a Restricted Subsidiary; provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is subordinated in right of payment to the Obligations; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(h) Indebtedness of a Restricted Subsidiary owing to another Restricted Subsidiary or the Borrower; provided that if a Subsidiary Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Subsidiary Guarantor as the case may be; provided, further, that any subsequent transfer of any such Indebtedness (except to the Borrower or another Subsidiary Guarantor) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(i) shares of preferred stock of a Restricted Subsidiary issued to the Borrower or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred stock (except to the Borrower or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of preferred stock not permitted by this clause;

(j) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(k) (i) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or (ii) obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;

(l) (i) Indebtedness, Disqualified Stock and preferred stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference (together with any Refinancing Indebtedness in respect thereof) up to 100% of the net cash proceeds received by the Borrower since immediately after the Restatement Effective Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than Excluded Contributions or proceeds of Disqualified Stock or sales of Equity Interests to any of the Borrower's Subsidiaries) as determined in accordance with Sections 10.5(a)(iii)(B) and 10.5(a)(iii)(C) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 10.5(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (a) and (c) of the definition thereof) and (ii) Indebtedness, Disqualified Stock or preferred stock of the Borrower or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (l)(ii), does not at any one time outstanding exceed the greater of (x) $205,000,000 and (y) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence (it being understood that any Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this clause (l)(ii) shall cease to be deemed incurred or outstanding for purposes of this clause (l)(ii) but shall be deemed incurred for the purposes of the first paragraph of this Section 10.1 from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or preferred stock under the first paragraph of this Section 10.1 without reliance on this clause (l)(ii));

(m) the incurrence or issuance by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred stock which serves to refinance any Indebtedness,

Disqualified Stock or preferred stock incurred as permitted under the first paragraph of this Section 10.1 and clauses (b) and (c) above, clause (l)(i) and this clause (m) below or any Indebtedness, Disqualified Stock or preferred stock issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, "**refinance**") such Indebtedness, Disqualified Stock or preferred stock (the "**Refinancing Indebtedness**") prior to its respective maturity; provided that such Refinancing Indebtedness (1) has a weighted average life to maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining weighted average life to maturity of the Indebtedness, Disqualified Stock or preferred stock being refinanced, (2) to the extent such Refinancing Indebtedness refinances (i) Indebtedness that is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, such Refinancing Indebtedness is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, (ii) Disqualified Stock or preferred stock, such Refinancing Indebtedness must be Disqualified Stock or preferred stock, respectively, and (iii) Indebtedness subordinated to the Obligations, such Refinancing Indebtedness is subordinated to the Obligations at least to the same extent as the Indebtedness being Refinanced and (3) shall not include Indebtedness, Disqualified Stock or preferred stock of a Subsidiary of the Borrower that is not a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or preferred stock of the Borrower or a Subsidiary Guarantor;

(n) Indebtedness, Disqualified Stock or preferred stock of (x) the Borrower or a Restricted Subsidiary incurred or issued to finance an acquisition, merger, or consolidation; provided that the amount of Indebtedness (other than Acquired Indebtedness), Disqualified Stock and preferred stock that may be incurred pursuant to the foregoing, together with any amounts incurred under the first paragraph of this Section 10.1 by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (i) $165,000,000 and (ii) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at any one time outstanding, or (y) Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that after giving effect to any such acquisition, merger, consolidation or designation described in this clause (n), (i) either (1) the Borrower would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this Section 10.1 or (2) the Fixed Charge Coverage Ratio of the Borrower and the Restricted Subsidiaries is equal to or greater than that immediately prior to such acquisition, merger, consolidation or designation or (ii) either (1) the Consolidated Total Debt to Consolidated EBITDA Ratio (calculated on a Pro Forma Basis) shall be either (A) less than or equal to the Consolidated Total Debt to Consolidated EBITDA Ratio immediate prior to such acquisition, merger, consolidation or designation or (2) less than or equal to 6.25:1.00;

(o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(p) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(q) (1) any guarantee by the Borrower or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee, (2) any guarantee by a Restricted Subsidiary of Indebtedness of the Borrower or (3) any co-issuance by Academy Finance Corporation of Indebtedness of the Borrower;

(r) Indebtedness of Restricted Subsidiaries that are not Guarantors; provided that the principal amount of such Indebtedness of which the primary obligor or a guarantor is a Restricted Subsidiary that is not a Guarantor shall not exceed, in the aggregate at any one time outstanding, the greater of (x) $105,000,00 and (y) 25.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (it being understood that any Indebtedness incurred pursuant to this clause (r) shall cease to be deemed incurred or outstanding for purposes of this clause (r) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (r));

(s) Indebtedness of the Borrower or any of the Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;

(t) (i) Indebtedness of the Borrower or any of the Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definition of Cash Management Services and (ii) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Borrower and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Borrower and its Restricted Subsidiaries;

(u) Indebtedness consisting of Indebtedness issued by the Borrower or any of the Restricted Subsidiaries to future, current or former officers, directors, managers and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower to the extent described in clause (4) of Section 10.5(b);

(v) [Reserved];

(w) Indebtedness in respect of (i) Permitted Other Indebtedness to the extent that the Net Cash Proceeds therefrom are applied to the prepayment of Term Loans in the manner set forth in Section 5.2(a)(i) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension (except for any original issue discount thereon and the amount of fees, expenses, and premium and accrued and unpaid interest in connection with such refinancing) and (y) such Indebtedness otherwise complies with the definition of Permitted Other Indebtedness;

(x) Indebtedness in respect of (i) Permitted Other Indebtedness; provided that the aggregate principal amount of all such Permitted Other Indebtedness issued or incurred pursuant to this clause (i) shall not exceed the Maximum Incremental Facilities Amount and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension (except for any original issue discount thereon and the amount of fees, expenses and premium and accrued and unpaid interest in connection with such refinancing), (y) such Indebtedness otherwise complies with the definition of Permitted Other Indebtedness, and (z) in the case of a refinancing of Permitted Other Indebtedness incurred pursuant to clause (i) above with other Permitted Other Indebtedness ("**Refinancing Permitted Other Indebtedness**"); and

(y) (i) Indebtedness in respect of Permitted Debt Exchange Notes incurred pursuant to a Permitted Debt Exchange in accordance with Section 2.15 (and which does not generate any additional proceeds) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension (except for any original issue discount thereon and the amount of fees, expenses, and premium and accrued and unpaid interest in connection with such refinancing) and (y) such Indebtedness otherwise complies with the definition of Permitted Other Indebtedness.

For purposes of determining compliance with this Section 10.1: (i) in the event that an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred stock described in clauses (a) through (y) above or is entitled to be incurred pursuant to the first paragraph of this Section 10.1, the Borrower, in its sole discretion, will classify and may reclassify such item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred stock in one of the above clauses or paragraphs; and (ii) at the time of incurrence, the Borrower will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in this Section 10.1; provided that all Indebtedness outstanding under the ABL Facility on the Restatement Effective Date will be treated as incurred under clause (b)(i) above.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or preferred stock for purposes of this covenant. Any Refinancing Indebtedness and any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (a) and (l)(i) above shall be deemed to include additional Indebtedness, Disqualified Stock or preferred stock incurred to pay premiums (including reasonable tender premiums), defeasance costs, fees, and expenses in connection with such refinancing.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated

restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums, and other costs and expenses and accrued and unpaid interest incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

10.2 Limitation on Liens.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a "**Subject Lien**") that secures obligations under any Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, except:

(i) if such Subject Lien is a Permitted Lien;

(ii) any other Subject Lien on assets or property constituting Collateral if the obligations secured by such Subject Lien are junior to the Obligations; provided that at the Borrower's election, in the case of Liens securing Permitted Other Indebtedness Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (ii); and

(iii) in the case of any Subject Lien on assets or property not constituting Collateral, any Subject Lien if (i) the Obligations are equally and ratably secured with (or on a senior basis to, in the case such Subject Lien secures any Junior Debt) the obligations secured by such Subject Lien or (ii) such Subject Lien is a Permitted Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally be released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

10.3 Limitation on Fundamental Changes. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; provided that (A) the Borrower shall be the continuing or surviving corporation or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the "**Successor Borrower**"), (1) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (2) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto or in a form otherwise reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to the Guarantee, confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to any applicable Security Document, affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, unless it is the other party to such merger, amalgamation or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its Guarantee as reaffirmed pursuant to clause (3), and (6) the Successor Borrower shall have delivered to the Administrative Agent (x) an officer's certificate stating that such merger, amalgamation, or consolidation and such supplements preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the applicable Security Documents and (y) if requested by the Administrative Agent, an opinion of counsel to the effect that such merger, amalgamation, or consolidation does not violate this Agreement or any other Credit Document and that the provisions set forth in the preceding clauses (3) through (5) preserve the enforceability of the Guarantee and the perfection of the Liens created under the applicable Security Documents (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement);

(b) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person (in each case, other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Subsidiary Guarantors, a Subsidiary Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation and if the surviving Person is not already a Subsidiary Guarantor, such Person shall execute a supplement to the Guarantee and the relevant Security Documents in form and substance reasonably satisfactory to the Administrative Agent in order to become a Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation and any such supplements to any Security Document preserve the enforceability of the Guarantees and the perfection and priority of the Liens under the applicable Security Documents;

(c) [reserved];

(d) (i) any Restricted Subsidiary that is not a Credit Party may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or any other Restricted Subsidiary or (ii) any Subsidiary Guarantor may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to any other Subsidiary Guarantor or the Borrower;

(e) any Subsidiary may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or a Subsidiary Guarantor; provided that the consideration for any such disposition by any Person other than a Subsidiary Guarantor shall not exceed the fair value of such assets;

(f) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; and

(g) the Borrower and the Restricted Subsidiaries may consummate a merger, dissolution, liquidation, consolidation, investment or conveyance, sale, lease, assignment or disposition, the purpose of which is to effect an Asset Sale (which for purposes of this Section 10.3(g), will include any disposition below the dollar threshold set forth in clause (d) of the definition of "Asset Sale") permitted by Section 10.4 or an investment permitted pursuant to Section 10.5 or an investment that constitutes a Permitted Investment; and

(h) undertaking or consummating any IPO Reorganization Transactions.

10.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(a) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of (a) $50,000,000 and (b) 1.5% of Consolidated Total Assets for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:

(i) any liabilities (as reflected on the Borrower's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such consolidated balance sheet, as determined in

good faith by the Borrower) of the Borrower, other than liabilities that are by their terms subordinated to the Loans, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) and for which the Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing;

(ii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(iii) Indebtedness, other than liabilities that are by their terms subordinated to the Loans, that are of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and all Restricted Subsidiaries have been validly released from any Guarantee of payment of such Indebtedness in connection with such Asset Sale; and

(iv) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iv) that is at that time outstanding, not to exceed the greater of $210,000,000 and 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash for purposes of this clause (b) of this provision and for no other purpose.

Within the Reinvestment Period after the Borrower's or any Restricted Subsidiary's receipt of the Net Cash Proceeds of any Asset Sale, the Borrower or such Restricted Subsidiary shall apply the Net Cash Proceeds from such Asset Sale:

(i) to prepay Loans or Permitted Other Indebtedness in accordance with Section 5.2(a)(i); and/or

(ii) to make investments in the Borrower and its Subsidiaries; provided that the Borrower and the Restricted Subsidiaries will be deemed to have complied with this clause (ii) if and to the extent that, within the Reinvestment Period after the Asset Sale that generated the Net Cash Proceeds, the Borrower or such Restricted Subsidiary has entered into and not abandoned or rejected a binding agreement or letter of intent to consummate any such investment described in this clause (ii) with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment and, in the event any such commitment is later cancelled or terminated for any reason before the Net Cash Proceeds are applied in connection therewith, the Borrower or such Restricted Subsidiary prepays the Loans in accordance with Section 5.2(a)(i).

(c) Pending the final application of any Net Cash Proceeds pursuant to this covenant, the Borrower or the applicable Restricted Subsidiary may apply such Net Cash Proceeds

temporarily to reduce Indebtedness outstanding under the ABL Facility or any other revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Agreement.

10.5 Limitation on Restricted Payments.

(a) the Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:

(A) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock) of the Borrower or in options, warrants or other rights to purchase such Equity Interests, or

(B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(2) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower, Holdings or any direct or indirect parent company of the Borrower, including in connection with any merger or consolidation;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Junior Debt of the Borrower or any Restricted Subsidiary, other than (A) Indebtedness permitted under clauses (g) and (h) of Section 10.1 or (B) the purchase, repurchase or other acquisition of Junior Debt purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(4) make any Restricted Investment;

(all such payments and other actions set forth in clauses (1) through (4) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**"), unless, at the time of such Restricted Payment:

(i) no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof);

(ii) except in the case of a Restricted Investment and other than with respect to amounts attributable to subclauses (B), (C), and (G) below, immediately after giving effect to such transaction on a pro forma basis, the Borrower could incur $1.00 of additional Indebtedness under the provisions of the first paragraph of Section 10.1; and

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date (including Restricted Payments permitted by clauses (1), (2) (with respect to the payment of dividends on Refunding Capital Stock pursuant to clause (b) thereof only) and (6)(C) of Section 10.5(b) below, but excluding all other Restricted Payments permitted by Section 10.5(b)), is less than the sum of (without duplication) (the sum of the amounts attributable to clauses (A) through (G) below is referred to herein as the "**Available Amount**"):

(A) 50% of Consolidated Net Income of the Borrower for the period (taken as one accounting period) from the first day of the fiscal quarter during which the Restatement Effective Date occurs to the end of the Borrower's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit, *plus*

(B) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower since immediately after the Restatement Effective Date (other than net cash proceeds from ABL Cure Amounts or to the extent such net cash proceeds have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1) from the issue or sale of (x) Equity Interests of the Borrower, including Retired Capital Stock, but excluding cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of (A) Equity Interests to any employee, director, manager or consultant of the Borrower, any direct or indirect parent company of the Borrower and the Borrower's Subsidiaries after the Restatement Effective Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below, and (B) Designated Preferred Stock, and, to the extent such net cash proceeds are actually contributed to the Borrower, Equity Interests of Holdings or any other direct or indirect parent company of the Borrower (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below) or (y) Indebtedness of the Borrower or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests of the Borrower or Holdings or any other direct or indirect parent company of the Borrower; provided that this clause (B) shall not include the proceeds from (a) Refunding Capital Stock, (b) Equity Interests or Indebtedness that has been converted or exchanged for Equity Interests of the Borrower sold to a Restricted Subsidiary or the Borrower, as the case may be, (c) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions, *plus*

(C) 100% of the aggregate amount of cash and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following the Restatement Effective Date (other than net cash

proceeds from ABL Cure Amounts or to the extent such net cash proceeds (i) have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1), (ii) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions), *plus*

(D) 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities or other property received by means of (A) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Restricted Investments made by the Borrower and the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Borrower and the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Borrower or the Restricted Subsidiaries, in each case, after the Restatement Effective Date; or (B) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary after the Restatement Effective Date, *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Restatement Effective Date, the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment, *plus*

(F) the aggregate amount of any Retained Declined Proceeds since the Restatement Effective Date; *plus*

(G) $75,000,000.

(b) The foregoing provisions of Section 10.5(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("**Retired Capital Stock**") or Junior Debt of the Borrower or any Restricted Subsidiary, or any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower, in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of the Borrower or any direct or indirect Parent

Entity or management investment vehicle to the extent contributed to the Borrower (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**") and (b) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this Section 10.5(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that was declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt of the Borrower or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Borrower or a Restricted Subsidiary, as the case may be, which is incurred in compliance with Section 10.1 so long as: (A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness, (B) if such Junior Debt is subordinated to the Obligations, such new Indebtedness is subordinated to the Obligations or the applicable Guarantee at least to the same extent as such Junior Debt so purchased, exchanged, redeemed, defeased, repurchased, acquired or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired, (D) if such Junior Debt so purchased, exchanged, redeemed, repurchased, acquired or retired for value is (i) unsecured then such new Indebtedness shall be unsecured or (ii) Permitted Other Indebtedness incurred pursuant to Section 10.1(x)(i)(b) and is secured by a Lien ranking junior to the Liens securing the Obligations then such new Indebtedness shall be unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, and (E) such new Indebtedness has a weighted average life to maturity equal to or greater than the remaining weighted average life to maturity of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Borrower or Holdings, Intermediate Holdco or any direct or indirect Parent Entity or management investment vehicle held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any direct or indirect Parent Entity or management investment vehicle, or their estates, descendants, family, spouse or former spouse pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement, or any stock subscription or shareholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management of the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with the Transactions; provided that, except with respect to non-discretionary Restricted Payments, the aggregate Restricted Payments made under this clause (4) subsequent to the Restatement Effective Date do not exceed in any calendar year the greater of (a) $35,000,000 and (b) 8.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (which subsequent to the consummation of an IPO

shall increase to the greater of (a) $70,000,000 and (b) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis)) (with unused amounts in any calendar year being carried over to succeeding calendar years); provided, further, that such amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of Holdings or any other direct or indirect Parent Entity or management investment vehicle, in each case to any future, present or former employees, directors, managers or consultants of the Borrower, any of its Subsidiaries, Holdings or any other direct or indirect Parent Entity or management investment vehicle that occurs after the Restatement Effective Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (iii) of Section 10.5(a), plus (B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date, less (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (4); and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle or any Restricted Subsidiary, or their estates, descendants, family, spouse or former spouse in connection with a repurchase of Equity Interests of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle will not be deemed to constitute a Restricted Payment for purposes of this Section 10.5 or any other provision of this Agreement;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of preferred stock of any Restricted Subsidiary, in each case, issued in accordance with Section 10.1 to the extent such dividends are included in the definition of Fixed Charges;

(6) (A) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after the Restatement Effective Date; (B) the declaration and payment of dividends to Holdings or any other direct or indirect parent company of the Borrower, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent company issued after the Restatement Effective Date; provided that the amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock; or (C) the declaration and payment of dividends on Refunding Capital Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this Section 10.5(b); provided that, in the case of each of (A), (B), and (C) of this clause (6), for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a pro forma basis, the Borrower and the Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash, Cash Equivalents or marketable securities, not to exceed the greater of (x) $95,000,000 and (y) 22.5% of Consolidated EBITDA for the most

recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) (i) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding or similar taxes payable upon exercise of Equity Interests by any future, present or former employee, director, manager, or consultant and repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(9) the declaration and payment of dividends on the Borrower's common stock (or the payment of dividends to Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to fund a payment of dividends on such company's common stock), following consummation of an IPO, not to exceed the sum (a) of up to 6.00% per annum of the net cash proceeds received by or contributed to the Borrower in or from such IPO, other than public offerings with respect to the Borrower's common stock registered on Form S-8 and other than any public sale constituting an Excluded Contribution and (b) Restricted Payments in an aggregate amount per fiscal year not to exceed 5.0% of the market capitalization of the Borrower as of the end of the prior fiscal year (or in the case of the first fiscal year following an IPO, as of such IPO);

(10) Restricted Payments in an amount that does not exceed the amount of Excluded Contributions made since the Restatement Effective Date;

(11) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause not to exceed $25,000,000;

(12) distributions or payments of Receivables Fees;

(13) [reserved];

(14) other Restricted Payments; provided that after giving Pro Forma Effect to such Restricted Payments the Consolidated Total Debt to Consolidated EBITDA Ratio is equal to or less than 4.00:1.00;

(15) the declaration and payment of dividends by the Borrower to, or the making of loans to, Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower in amounts required for any direct or indirect parent company to pay: (A) franchise and excise taxes, and other fees and expenses, required to maintain its organizational existence, (B) (i) consolidated, combined or similar foreign, federal, state and local income and similar taxes, to the extent that such income taxes are attributable to the income of the Borrower and the Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; provided that in each case the amount of such payments with respect to any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) would have been required to pay in respect of such foreign, federal, state and local income taxes for such fiscal year had the

Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) been a stand-alone taxpayer or stand-alone group (separate from any such direct or indirect parent company of the Borrower) for all fiscal years ending after the Restatement Effective Date and/or (ii) Permitted Tax Distributions, (C) customary salary, bonus, and other benefits payable to officers, employees, directors, and managers of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (D) general corporate or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (E) amounts required for any direct or indirect parent company of the Borrower to pay fees and expenses incurred by any direct or indirect parent company of the Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent company of the Borrower of the type described in clause (xi) of the definition of Consolidated Net Income, (F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any such direct or indirect parent company of the Borrower, (G) repurchases deemed to occur upon the cashless exercise of stock options and (H) taxes with respect to income of any direct or indirect parent company of the Borrower derived from funding made available to the Borrower and its Restricted Subsidiaries by such direct or indirect parent company;

(16) the repurchase, redemption or other acquisition for value of Equity Interests of the Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Borrower, in each case, permitted under this Agreement;

(17) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents);

(18) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt in an aggregate amount pursuant to this clause (18) not to exceed the greater of (x) $105,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(19) undertaking or consummating any IPO Reorganization Transaction;

(20) payments or distributions to satisfy dissenters' rights, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of assets that complies with Section 10.3;

(21) payment of the Special Dividend; and

(22) payments in respect of, or in connection with, the Restatement Effective Date Refinancing.

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (11), (14), and (18), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof).

The Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of Investment. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to Section 10.5(a) or under clauses (7), (10), or (11) of Section 10.5(b), or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses (1) through (18) above or is entitled to be made pursuant to Section 10.5(a) and/or one or more of the exceptions contained in the definition of Permitted Investments, the Borrower will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or portion thereof) among such clauses (1) through (18), Section 10.5(a) and/or one or more of the exceptions contained in the definition of "Permitted Investments", in a manner that otherwise complies with this covenant.

(c) Prior to the Initial Term Loan Maturity Date, to the extent any Permitted Debt Exchange Notes are issued pursuant to Section 10.1(y) for the purpose of consummating a Permitted Debt Exchange, (i) the Borrower will not, and will not permit its Restricted Subsidiaries to, prepay, repurchase, redeem or otherwise defease or acquire any Permitted Debt Exchange Notes unless the Borrower or a Restricted Subsidiary shall concurrently voluntarily prepay Term Loans pursuant to Section 5.1(a) on a pro rata basis among the Term Loans, in an amount not less than the product of (a) a fraction, the numerator of which is the aggregate principal amount (calculated on the face amount thereof) of such Permitted Debt Exchange Notes that are proposed to be prepaid, repurchased, redeemed, defeased or acquired and the denominator of which is the aggregate principal amount (calculated on the face amount thereof) of all Permitted Debt Exchange Notes in respect of the relevant Permitted Debt Exchange then outstanding (prior to giving effect to such proposed prepayment, repurchase, redemption, defeasance or acquisition) and (b) the aggregate principal amount (calculated on the face amount thereof) of Term Loans then outstanding and (ii) the Borrower will not waive, amend or modify the terms of any Permitted Debt Exchange Notes or any indenture pursuant to which such Permitted Debt Exchange Notes have been issued in any manner inconsistent with the terms of Section 2.15(a), Section 10.1(y), or the definition of Permitted Other Indebtedness or that would result in a Default hereunder if such Permitted Debt Exchange Notes (as so amended or modified) were then being issued or incurred.

10.6 Limitation on Subsidiary Distributions. The Borrower will not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary;

(b) make loans or advances to the Borrower or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary;

except (in each case) for such encumbrances or restrictions (x) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (y) existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Restatement Effective Date, including pursuant to this Agreement and the related documentation and related Hedging Obligations;

(ii) the ABL Credit Document and the ABL Loans;

(iii) purchase money obligations for property acquired in the ordinary course of business or consistent with past practice and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (c) above on the property so acquired;

(iv) Requirements of Law or any applicable rule, regulation or order;

(v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;

(vii) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(viii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(ix) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred subsequent to the Restatement Effective Date pursuant to the provisions of Section 10.1;

(x) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture and the Equity Interests issued thereby;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(xii) restrictions created in connection with any Receivables Facility that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect such Receivables Facility; and

(xiii) any encumbrances or restrictions of the type referred to in clauses (a), (b), and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xii) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, or refinancings (x) are, in the good faith judgment of the Borrower's board of directors, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay their respective obligations under the Credit Documents as and when due (as determined in good faith by the Borrower).

10.7 Permitted Activities. None of Holdings, the Delaware Intermediate Holdcos or the Texas Intermediate Holdcos shall engage in any material operating or business activities; provided that the following and activities incidental thereto shall be permitted in any event: (i) such Person's ownership of the Equity Interests set forth next to such Person's name on Schedule 10.5 and activities incidental thereto, (ii) the maintenance of each Person's legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (iii) the performance of each Person's obligations with respect to the Credit Documents, the ABL Credit Documents and any other Indebtedness and any other agreements contemplated hereby and thereby, (iv) any public offering of its common stock or any other issuance or sale of its Equity Interests, (v) financing activities, including the issuance of securities, payment of dividends, making contributions to the capital of the Borrower, (vi) incurrence of debt and guaranteeing the obligations of the Borrower, (vii) participating in tax, accounting and other administrative matters as owner of the Equity Interests set forth next to such Person's name on Schedule 10.5, (viii) holding any cash incidental to any activities permitted under this Section 10.7, (ix) providing indemnification to officers, managers and directors, (x) any transaction that is permitted under Section 10 and (xi) any activities incidental to the foregoing.

Section 11. Events of Default.

Upon the occurrence of any of the following specified events set forth in Sections 11.1 through 11.11 (each an "**Event of Default**"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or any Fees or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, Etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation or warranty shall remain incorrect for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower; or

11.3 Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in the last paragraph of Section 9.1(e)(i), Section 9.5 (solely with respect to the Borrower), Section 9.14(d) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements. (a) the Borrower or any of the Restricted Subsidiaries shall (i) fail to make any payment with respect to any Indebtedness (other than the Obligations) in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (after giving effect to all applicable grace period and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (i) shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is required as a result of any such termination or similar event and that is not otherwise being contested in good faith)), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (a) shall not apply to secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is

required as a result of any such termination or equivalent event and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; provided that this clause (b) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness, (y) Indebtedness which is convertible into Qualified Stock and converts to Qualified Stock in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied by the Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Section 11; provided, further, that no ABL Financial Covenant Default shall constitute an Event of Default under this Section 11.4 until the acceleration of the Indebtedness (if any) or termination of commitments under the ABL Facility; or

11.5 Bankruptcy, Etc. Except as otherwise permitted by Section 10.3, Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences a voluntary case, proceeding or action concerning itself under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (collectively, the "**Bankruptcy Code**"); or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not controverted within 60 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, trustee, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding-up, administration or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or there is commenced against Holdings, any Intermediate Holdco, Borrower or any Significant Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary is adjudicated bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary makes a general assignment for the benefit of creditors; or

11.6 ERISA. (a) An ERISA Event or a Foreign Plan Event shall have occurred, (b) a trustee shall be appointed by a United States district court to administer any Pension Plan(s), (c) the PBGC shall institute proceedings to terminate any Pension Plan(s), or (d) any Credit Party or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner, and in each case in clauses (a) through (d) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect; or

11.7 Guarantee. Other than as expressly permitted hereunder, any Guarantee provided by any Credit Party or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof) or any such Guarantor thereunder or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee; or

11.8 Pledge Agreement. Other than as expressly permitted hereunder, the Pledge Agreement or any other Security Document pursuant to which the Capital Stock or Stock Equivalents of the Borrower or any Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent or any Lender or solely as a result of the Collateral Agent's failure to maintain possession of any Capital Stock or Stock Equivalents that have been previously delivered to it) or any pledgor thereunder or any Credit Party shall deny or disaffirm in writing any pledgor's obligations under any Security Document; or

11.9 Security Agreement. Other than as expressly permitted hereunder, the Security Agreement or any other Security Document pursuant to which the assets of Holdings, any Intermediate Holdco, the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent in respect of certificates, promissory notes or instruments actually delivered to it (including as a result of the Collateral Agent's failure to file a Uniform Commercial Code continuation statement)) or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Security Agreement or any other Security Document; or

11.10 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof; or

11.11 Change of Control. A Change of Control shall occur.

then, and in any event, and at any time thereafter, if an Event of Default occurs and is continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrower, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower, except as otherwise specifically provided for in this Agreement, declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the extent permitted by applicable law; provided that, if an Event of Default specified in Section 11.5 shall occur with respect to the Borrower, the result that would occur upon the giving of written notice by the Administrative Agent shall occur automatically without the giving of any such notice.

11.12 Application of Proceeds. Subject to the terms of the ABL Intercreditor Agreement and, in each case if executed, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 11.4 shall be applied:

(i) *first*, to the payment of all reasonable and documented costs and expenses incurred by the Administrative Agent or the Collateral Agent in connection with any collection or sale of the Collateral or otherwise in connection with any Credit Document, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent or the Collateral Agent hereunder or under any other Credit Document on behalf of any Credit Party and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document to the extent reimbursable hereunder or thereunder;

(ii) *second*, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution; and

(iii) *third*, any surplus then remaining shall be paid to the applicable Credit Parties or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct;

Notwithstanding the foregoing, amounts received from any Guarantor that is not an "**Eligible Contract Participant**" (as defined in the Commodity Exchange Act) shall not be applied to its Obligations that are Excluded Swap Obligations.

Section 12. The Agents.

12.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.1(c) with respect to the Joint Lead Arrangers and Bookrunners and Sections 12.1, 12.9, 12.11 and 12.12 with respect to the Borrower) are solely for the benefit of the Agents and the Lenders, neither the Borrower nor any other Credit Party shall have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings, the Borrower or any of their respective Subsidiaries.

(b) The Administrative Agent and each Lender hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Administrative Agent and each Lender irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and

the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any of the Administrative Agent and the Lenders, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each of the Joint Lead Arrangers and Bookrunners each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

12.2 Delegation of Duties. The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, subagents or attorneys-in-fact selected by it in the absence of its gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

12.3 Exculpatory Provisions. No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the creation, perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party. Without limiting the generality of the foregoing, (a) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 13.1), provided that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any debtor relief law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any debtor relief law and (b) except as expressly set forth in the Credit Documents, no Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity.

12.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; provided that the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable law.

12.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable.

12.6 Non-Reliance on Administrative Agent, Collateral Agent, and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of any Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender. Each Lender represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business,

operations, property, financial and other condition and creditworthiness of any of the Credit Parties. Except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification. The Lenders agree to severally indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against an Agent in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in connection with any of the foregoing; provided that no Lender shall be liable to an Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken by the Administrative Agent in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse each Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; provided that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's pro rata portion thereof; and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder. The indemnity provided to each Agent under this Section 12.7 shall also apply to such Agent's respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors and agents and successors.

12.8 Agents in Their Individual Capacities. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms Lender and Lenders shall include each Agent in its individual capacity.

12.9 Successor Agents.

(a) Each of the Administrative Agent and the Collateral Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Sections 11.1 or 11.5 is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (the "**Resignation Effective Date**"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); provided that if the Administrative Agent or the Collateral Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (v) of the definition of Lender Default, the Required Lenders may to the extent permitted by applicable law, subject to the consent of the Borrower (not to be unreasonably withheld or delayed), by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent or the Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges

and duties of the retiring (or retired) or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section 12.9). Except as provided above, any resignation or removal of Morgan Stanley Senior Funding, Inc. as the Administrative Agent pursuant to this Section 12.9 shall also constitute the resignation or removal of Morgan Stanley Senior Funding, Inc. as the Collateral Agent. The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

12.10 Withholding Tax. To the extent required by any applicable law (as determined in good faith by the Administrative Agent), the Administrative Agent may withhold from any payment to any Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so), fully for all amounts paid, directly or indirectly, by the Administrative Agent or as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 12.10. The agreements in Section 12.10 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

12.11 Agents Under Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (a) release any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent (or any sub-agent thereof) under any Credit Document (i) upon the Final Maturity Date and the payment in full of all Obligations (except for contingent indemnification obligations in respect of which a claim has not yet been made and Secured Hedge Obligations and Secured Cash Management Obligations), (ii) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, (iii) if the property subject to such Lien is owned by a Guarantor, upon the release of such Guarantor from its Guarantee otherwise in accordance with the

Credit Documents, (iv) as to the extent provided in the Security Documents, (v) that constitutes Excluded Property or Excluded Stock and Stock Equivalents or (vi) if approved, authorized or ratified in writing in accordance with Section 13.1; (b) release any Guarantor (other than Holdings) from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder; (c) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clause (vi) (solely with respect to Section 10.1(d)), and (ix) of the definition of Permitted Lien; and (d) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement.

The Collateral Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this Section 12.11, irrespective of any discharge of the Borrower's obligations to pay those amounts to the other Lenders resulting from failure by them to take appropriate steps in insolvency proceedings affecting the Borrower to preserve their entitlement to be paid those amounts.

Any amount due and payable by the Borrower to the Collateral Agent under this Section 12.11 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Credit Documents and any amount due and payable by the Borrower to the Collateral Agent under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 12.11.

12.12 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, Holdings, the Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights, and remedies under the Security Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition. No holder of Secured Hedge Obligations or Secured Cash Management Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Hedge Obligations or Secured Cash Management Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge

Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

12.13 Intercreditor Agreement Governs. The Administrative Agent, the Collateral Agent, and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into each intercreditor agreement entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any intercreditor agreement that includes, or to amend any then existing intercreditor agreement to provide for, the terms described in the definition of Permitted Other Indebtedness.

Section 13. Miscellaneous.

13.1 Amendments, Waivers, and Releases. Except as otherwise expressly set forth in the Credit Documents, neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. Except as provided to the contrary under Section 2.14 or 2.15 or the fifth and sixth paragraphs hereof in respect of Replacement Term Loans, and other than with respect to any amendment, modification or waiver contemplated in the proviso to clause (i) below, which shall only require the consent of the Lenders expressly set forth therein and not the Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or the Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and provided, further, that no such waiver and no such amendment, supplement or modification shall (x) (i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)), or forgive any portion thereof, or extend the date for the payment, of interest or fees payable hereunder or any principal hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or make any Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case without the written consent of each Lender directly and adversely affected thereby; provided that a waiver of any condition precedent in Section 6 or 7 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial covenant definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal, premium or interest or an extension of the final maturity of any Loan or the scheduled termination date of any Commitment, in each case for purposes of this clause (i), or (ii) consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of

Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent in a manner that directly and adversely affects such Person, or (iv) release all or substantially all of the Guarantors under the Guarantees (except as expressly permitted by the Guarantees, the Intercreditor Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, the Intercreditor Agreement or this Agreement) without the prior written consent of each Lender, or (v) decrease the Initial Term Loan Repayment Amount applicable to Initial Term Loans or extend any scheduled Initial Term Loan Repayment Date applicable to Initial Term Loans, in each case without the written consent of each Lender directly and adversely affected thereby, or (vi) reduce the percentage specified in the definitions of the term Required Lenders or amend, modify or waive any provision of this Section 13.1 that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, (y) notwithstanding anything to the contrary in clause (x), (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, in each case, without the written consent of such Lender, or (z) in connection with an amendment that addresses solely a repricing transaction in which any Class of Term Loans is refinanced with a replacement Class of Term Loans bearing (or is modified in such a manner such that the resulting Term Loans bear) a lower Effective Yield (a "**Permitted Repricing Amendment**"), only the consent of the Lenders holding Term Loans subject to such permitted repricing transaction that will continue as a Lender in respect of the repriced tranche of Term Loans or modified Term Loans.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender and (y) for any such amendment, waiver or consent that treats such Defaulting Lender disproportionately from the other Lender of the same Class (other than because of its status as a Defaulting Lender).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding the foregoing, in addition to any credit extensions and related Joinder Agreement(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Term Loans.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans to permit the refinancing of all outstanding Term Loans of any Class ("**Refinanced Term**

Loans") with a replacement term loan tranche ("**Replacement Term Loans**") hereunder; provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans (*plus* an amount equal to all accrued but unpaid interest, fees, premiums, and expenses incurred in connection therewith), (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, unless any such Applicable Margin applies after the Initial Term Loan Maturity Date, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans), and (d) the covenants, events of default and guarantees shall be not materially more restrictive (taken as a whole) (as determined in good faith by the Borrower) to the Lenders providing such Replacement Term Loans than the covenants, events of default and guarantees applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants, events of default and guarantees applicable to any period after the maturity date in respect of the Refinanced Term Loans in effect immediately prior to such refinancing.

The Lenders hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, upon the termination of this Agreement and the payment in full of all Obligations hereunder (except for (x) contingent indemnification obligations in respect of which a claim has not yet been made, (y) Secured Hedge Obligations and (z) Secured Cash Management Obligations), (ii) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee (in accordance with the second following sentence), (vi) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents, and (vii) if such assets constitute Excluded Property or Excluded Stock or Stock Equivalents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that any Restricted Subsidiary that is a Guarantor shall be released from the Guarantees upon consummation of any transaction not prohibited hereunder resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to add syndication or documentation agents and make customary changes and references related thereto with the consent of only the Borrower and the Administrative Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility or extension facility pursuant to Section 2.14 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to the Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of the Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing; provided that such other changes are not adverse, in any material respect, to the interests of the Lenders taken as a whole); provided, further, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower) and (y) effect administrative changes of a technical or immaterial nature and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five Business Days' prior written notice of such change and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 9.12, 9.13 and 9.14 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of the Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

13.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower, the Administrative Agent or the Collateral Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings, the Borrower, the Administrative Agent and the Collateral Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

13.5 Payment of Expenses; Indemnification.

(a) Each of Holdings and the Borrower, jointly and severally, agrees (i) to pay or reimburse each of the Agents for all their reasonable and documented out-of-pocket costs and expenses (without duplication) incurred in connection with the development, preparation, execution and delivery of, and any amendment, supplement, modification to, waiver and/or enforcement this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Cahill Gordon & Reindel LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower), one counsel in each relevant local jurisdiction with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), (ii) to pay or reimburse each Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one firm or counsel to the Administrative Agent and the Collateral Agent, and, to the extent required, one firm or local counsel in each relevant local jurisdiction with the Borrower's consent

(such consent not to be unreasonably withheld or delayed (which may include a single special counsel acting in multiple jurisdictions), and (iii) to pay, indemnify and hold harmless each Lender, each Agent and their respective Related Parties (without duplication) (the "**Indemnified Persons**") from and against any and all losses, claims, damages, liabilities, obligations, demands, actions, judgments, suits, costs, expenses, disbursements or penalties of any kind or nature whatsoever (and the reasonable and documented out-of-pocket fees, expenses, disbursements and other charges of one firm of counsel for all Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict notifies the Borrower of any existence of such conflict and in connection with the investigating or defending any of the foregoing (including the reasonable fees) has retained its own counsel, of another firm of counsel for such affected Indemnified Person), and to the extent required, one firm or local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions)) of any such Indemnified Person arising out of or relating to any action, claim, litigation, investigation or other proceeding (regardless of whether such Indemnified Person is a party thereto or whether or not such action, claim, litigation or proceeding was brought by Holdings, any of its Subsidiaries or any other Person), arising out of, or with respect to the Transactions or to the execution, enforcement, delivery, performance and administration of this Agreement, the other Credit Documents and any such other documents, including any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or any actual or alleged presence, Release or threatened Release of Hazardous Materials relating in any way to Holdings or any of its Subsidiaries (all the foregoing in this clause (iii), collectively, the "**Indemnified Liabilities**"); provided that Holdings and the Borrower shall have no obligation hereunder to any Indemnified Person with respect to indemnified liabilities to the extent arising from (i) the gross negligence, bad faith or willful misconduct of such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, (ii) a material breach of the obligations of such Indemnified Person or any of its Related Parties under the terms of this Agreement by such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, or (iii) any proceeding between and among Indemnified Persons that does not involve an act or omission by Holdings, the Borrower or their respective Restricted Subsidiaries; provided the Agents, to the extent acting in their capacity as such, shall remain indemnified in respect of such proceeding, to the extent that neither of the exceptions set forth in clause (i) or (ii) of the immediately preceding proviso applies to such person at such time. The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 13.5 shall not apply with respect to Taxes, other than any Taxes that represent losses, claims, damages, liabilities, obligations, penalties, actions, judgments, suits, costs, expenses or disbursements arising from any non-Tax claim.

(b) No Credit Party nor any Indemnified Person shall have any liability for any special, punitive, indirect or consequential damages resulting from this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); provided that the foregoing shall not limit Holdings and the Borrower's indemnification obligations to the Indemnified Persons pursuant to Section 13.5(a) in respect of damages incurred or paid by an Indemnified Person to a third party. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any Indemnified Person or any of its Related Parties as determined by a final and non-appealable judgment of a court of competent jurisdiction.

13.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 10.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 13.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 13.7, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed; it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for (1) an assignment of Term Loans to (X) a Lender, (Y) an Affiliate of a Lender, or (Z) an Approved Fund or (2) an assignment of Loans or Commitments to any assignee if an Event of Default under Section 11.1 or Section 11.5 (with respect to the Borrower) has occurred and is continuing; and

(B) the Administrative Agent (not to be unreasonably withheld or delayed); provided that no consent of the Administrative Agent shall be required for an assignment of any Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund.

Notwithstanding the foregoing, no such assignment shall be made to a natural Person, Disqualified Lender or Defaulting Lender. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Persons who are Disqualified Lenders at any time.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "**Administrative Questionnaire**") and applicable tax forms (as required under Section 5.4(e)); and

(E) any assignment to Holdings, the Borrower, any Subsidiary of Holdings or an Affiliated Lender (other than an Affiliated Institutional Lender) shall also be subject to the requirements of Section 13.6(h).

For the avoidance of doubt, the Administrative Agent bears no responsibility for tracking or monitoring assignments to or participations by any Affiliated Lender.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 13.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 13.6, (i) the Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and stated interest amounts) owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 13.6 and any written consent to such assignment required by clause (b) of this Section 13.6, the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than (x) a natural person, (y) Holdings and its Subsidiaries and (z) any Disqualified Lender provided, however, that, notwithstanding clause (y) hereof, participations may be sold to Disqualified Lenders unless a list of Disqualified Lenders has been made available to all Lenders) (each, a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Disqualified Lenders or the sales of participations thereto at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) and (vii) of the second proviso to Section 13.1 that affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4) (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the participating Lender)). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; provided such Participant shall be subject to Section 13.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than the applicable Lender would have been entitled to receive absent the sale of such the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest amounts) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant

Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, or other central bank having jurisdiction over such Lender and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPV**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 13.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for

the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 13.16, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(g) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4 (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the Granting Lender)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(h) Notwithstanding anything to the contrary contained herein, (x) any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to Holdings, the Borrower, any Subsidiary of Holdings or an Affiliated Lender and (y) Holdings, the Borrower and any Subsidiary of Holdings may, from time to time, purchase or prepay Term Loans, in each case, on a non-pro rata basis through (1) Dutch auction procedures open to all applicable Lenders on a pro rata basis in accordance with customary procedures to be agreed between the Borrower and the Auction Agent or (2) open market purchases; provided that:

(i) any Loans or Commitments acquired by Holdings, the Borrower or any other Subsidiary of Holdings shall be retired and cancelled promptly upon the acquisition thereof;

(ii) by its acquisition of Loans or Commitments, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) it shall not have any right to (i) attend or participate in (including, in each case, by telephone) any meeting (including "Lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Borrower are not then present, (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "Lender only", except to the extent such information or materials have been made available to the Borrower or their representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (iii) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender; and

(B) except with respect to any amendment, modification, waiver, consent or other action (I) in Section 13.1 requiring the consent of all Lenders, all Lenders directly and adversely affected or specifically such Lender, (II) that alters an Affiliated Lender's pro rata share of any payments given to all Lenders, or (III) affects the Affiliated Lender (in its capacity

as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Loans held by an Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that does not affect the Affiliated Lender in a manner that is materially adverse to such Affiliated Lender relative to other Lenders, shall be deemed to have voted its interest in the Term Loans in the same proportion as the other Lenders) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph); and

(iii) the aggregate principal amount of Term Loans held at any one time by Affiliated Lenders may not exceed 30% of the aggregate principal amount of all Term Loans outstanding at the time of such purchase; and

(iv) any such Loans acquired by an Affiliated Lender may, with the consent of the Borrower, be contributed to the Borrower and exchanged for debt or equity securities that are otherwise permitted to be issued at such time (and such Loans or Commitments shall be retired and cancelled promptly).

For avoidance of doubt, the foregoing limitations shall not be applicable to Affiliated Institutional Lenders. None of Holdings, the Borrower, any Subsidiary of Holdings or any Affiliated Lender shall be required to make any representation that it is not in possession of information which is not publicly available and/or material with respect to Holdings, the Borrower and their respective Subsidiaries or their respective securities for purposes of U.S. federal and state securities laws.

13.7 Replacements of Lenders Under Certain Circumstances.

(a) The Borrower shall be permitted (x) to replace any Lender or (y) terminate the Commitment of such Lender and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date that (a) requests reimbursement for amounts owing pursuant to Sections 2.10 or 5.4, (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, or (c) becomes a Defaulting Lender, with a replacement bank or other financial institution; provided that (i) such replacement does not conflict with any Requirements of Law, (ii) no Event of Default under Sections 11.1 or 11.5 shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts pursuant to Sections 2.10, 2.11, or 5.4, as the case may be, owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, an Affiliate of the Lender, an Affiliated Lender or Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (v) the replacement bank or institution, if not already a Lender shall be subject to the provisions of Section 13.6(b), (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (provided that unless otherwise agreed the Borrower shall be obligated to pay the registration and processing fee referred to therein), and (vii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "**Non-Consenting Lender**") has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires

the consent of either (i) all of the Lenders directly and adversely affected or (ii) all of the Lenders, and, in each case, with respect to which the Required Lenders (or at least 50.1% of the directly and adversely affected Lenders) shall have granted their consent, then, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; provided that (a) all Obligations hereunder of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment including any amounts that such Lender may be owed pursuant to Section 2.11, and (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon, and (c) the Borrower shall pay to such Non-Consenting Lender the amount, if any, owing to such Lender pursuant to Section 5.1(b). In connection with any such assignment, the Borrower, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

13.8 Adjustments; Set-off.

(a) Except as contemplated in Section 13.6 or elsewhere herein, if any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. For purposes of subclause (ii)(a) of the definition of Excluded Taxes, a Lender that acquires a participation pursuant to this Section 13.8 shall be treated as having acquired such participation on the date(s) on which such Lender acquired the applicable interest(s) in the Commitment(s) and/or Loan(s) to which such participation relates.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties but with the prior consent of the Administrative Agent, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, and petty cash accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

13.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 Integration. This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrower, the Texas Intermediate Holdcos, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

13.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.13 Submission to Jurisdiction; Waivers. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Borrower or any other Credit Party in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary , punitive or consequential damages; provided that nothing in this clause (e) shall limit the Credit Parties' indemnification obligations set forth in Section 13.5.

13.14 Acknowledgments. Each of Holdings, each Texas Intermediate Holdco and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrower and the other Credit Parties, on the one hand, and the Administrative Agent, the Lenders and the other Agents on the other hand, and the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);

(ii) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for the Borrower, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees, or any other Person;

(iii) neither the Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or other Agent has advised or is currently advising the Borrower, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents;

(iv) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and

(v) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and Holdings, the Texas Intermediate Holdcos and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of Holdings, the Texas Intermediate Holdcos and the Borrower hereby agrees that it will not claim that any Agent owes a fiduciary or similar duty to the Credit Parties in connection with the Transactions contemplated hereby and waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Texas Intermediate Holdcos and the Borrower, on the one hand, and any Lender, on the other hand.

13.15 WAIVERS OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.16 Confidentiality. The Administrative Agent, each other Agent and each Lender (collectively, the "**Restricted Persons**" and, each a "**Restricted Person**") shall treat confidentially all non-public information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person's evaluation of whether to become a Lender hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement ("**Confidential Information**") and shall not publish, disclose or otherwise divulge such Confidential Information; provided that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its affiliates or any related parties thereto in violation of any confidentiality obligations owing under this Section 13.16, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person's knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective subsidiaries or affiliates, (e) to the extent that such Confidential Information was already in the possession of the Restricted Persons prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information, (f) to such Restricted Person's affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors, and other experts or agents who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) (with each such Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers (or other derivative transaction counterparties) (any such person, a "**Derivative Counterparty**"), participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this

Section 13.16); provided that (i) the disclosure of any such Confidential Information to any Lenders, Derivative Counterparties or prospective Lenders, Derivative Counterparties or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, Derivative Counterparty or prospective Lender or participant or prospective participant that such Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by such Restricted Person to any person that is at such time a Disqualified Lender, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for the Borrower and the Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16). Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis from a source other than the Borrower, its Subsidiaries or its Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 13.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by Holdings or any of its Subsidiaries, and (iv) each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement and the other Credit Documents.

13.17 Direct Website Communications. The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto, (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under this Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; provided that (i) upon written request by the Administrative Agent or the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(a) The Borrower further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "**Platform**"), so long as the access to such Platform (i) is limited to the Agents, the Lenders and Transferees or prospective Transferees and (ii) remains subject to the confidentiality requirements set forth in Section 13.16.

(b) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE "**BORROWER MATERIALS**") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**" and each an "**Agent Party**") have any liability to the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities, or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents as determined in the final non-appealable judgment of a court of competent jurisdiction.

(c) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, the Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, the Subsidiaries and their securities. Notwithstanding the foregoing, the Borrower shall use commercially reasonable efforts to indicate whether any document or notice contains only publicly available information; provided, however, that the following documents shall be deemed to be marked "PUBLIC," unless the Borrower notifies the Administrative Agent promptly that any such document contains material nonpublic information: (1) the Credit Documents, (2) any notification of changes in the terms of the Credit Facility and (3) all financial statements and certificates delivered pursuant to Sections 9.1(a),(b) and (d).

13.18 USA PATRIOT Act. Each Lender hereby notifies each Credit Party that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

13.19 [Reserved].

13.20 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

13.21 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

13.22 Nature of Borrower Obligations.

(a) Notwithstanding anything to the contrary contained elsewhere in this Agreement, it is understood and agreed by the various parties to this Agreement that all of the Borrower's Obligations to repay principal of, interest on, and all other amounts with respect to, all Loans and all other Obligations of the Borrower pursuant to this Agreement (including, without limitation, all fees, indemnities, taxes and other Obligations in connection therewith or in connection with the related Commitments) shall be guaranteed pursuant to, and in accordance with the terms of, the Guarantee.

(b) The obligations of the Borrower with respect to the Borrower's Obligations are independent of the obligations of any Guarantor under its guaranty of the Borrower's Obligations, and a separate action or actions may be brought and prosecuted against the Borrower, whether or not any such Guarantor is joined in any such action or actions. The Borrower waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof.

(c) The Borrower authorizes the Administrative Agent and the Lenders without notice or demand (except as shall be required by the Credit Documents and applicable statute that cannot be waived), and without affecting or impairing its liability hereunder, from time to time to:

(i) exercise or refrain from exercising any rights against any Guarantor or others or otherwise act or refrain from acting;

(ii) apply any sums paid by any other Person, howsoever realized or otherwise received to or for the account of the Borrower to any liability or liabilities of such other Person regardless of what liability or liabilities of such other Person remain unpaid; and/or

(iii) consent to or waive any breach of, or act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise, by any other Person.

(d) It is not necessary for the Administrative Agent or any other Lender to inquire into the capacity or powers of Holdings or any of its Subsidiaries or the officers, directors, members, partners or agents acting or purporting to act on its behalf.

(e) The Borrower waives any right to require the Administrative Agent or the other Lenders to (i) proceed against any Guarantor or any other party, (ii) proceed against or exhaust any security held from any Guarantor or any other party or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. The Borrower waives any defense based on or arising out of suretyship or any impairment of security held from the Borrower, any Guarantor or any other party or on or arising out of any defense of any Guarantor or any other party other than payment in full in cash of the Obligations of the Credit Parties, including, without limitation, any defense based on or arising out of the disability of any Guarantor or any other party, or the unenforceability of the Obligations of the Borrower or any part thereof from any cause, in each case other than as a result of the payment in full in cash of the Obligations of the Borrower.

(f) All provisions contained in any Credit Document shall be interpreted consistently with this Section 13.22 to the extent possible.

13.23 Amendment and Restatement.

(a) The Credit Parties, the Administrative Agent and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing Term Loan Facility shall be and hereby are amended and restated in their entirety by the terms and conditions of this Agreement and the terms and provisions of the Existing Term Loan Facility, except as otherwise provided in this Agreement (including, without limitation, clause (b) of this Section 13.23), shall be superseded by this Agreement. Upon the effectiveness of this Agreement, each Credit Document that was in effect immediately prior to the date of this Agreement shall continue to be effective on its terms unless otherwise expressly stated herein.

(b) Notwithstanding the amendment and restatement of the Existing Term Loan Facility by this Agreement, the Credit Parties shall continue to be liable (i) to each Indemnified Person with respect to agreements on their part under the Existing Term Loan Facility to indemnify and hold harmless such Indemnified Person from and against all claims, demands, liabilities, damages, losses, costs, charges and expenses to which the Administrative Agent and the Lenders may be subject arising in connection with the Existing Term Loan Facility and (ii) for the Obligations (as defined in the Existing Term Loan Facility) of the Borrower and the other Credit Parties under the Existing Term Loan Facility and the other Credit Documents (as defined in the Existing Term Loan Facility) that remain unpaid and outstanding as of the date of this Agreement and such Obligations shall continue to exist under and be evidenced by this Agreement and the other Credit Documents. This Agreement is given as a substitution of, and not as a payment of, the obligations of the Credit Parties under the Existing Term Loan Facility and is not intended to constitute a novation of the Existing Term Loan Facility.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

ACADEMY, LTD.,
as the Borrower

By: Academy Managing Co., L.L.C., as its general partner

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY HOLDING COMPANY, LLC, as Holdings

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ASSOCIATED INVESTORS, L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY MANAGING CO., L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

MORGAN STANLEY SENIOR FUNDING, INC., as
Administrative Agent, Collateral Agent and a Lender

By: /s/ Stephen B. King
Name: Stephen B. King
Title: Vice President

[Signature Page for First Amended and Restated Credit Agreement]

Exhibit 10.2

EXECUTION VERSION

AMENDED AND RESTATED TERM LOAN SECURITY AGREEMENT

THIS AMENDED AND RESTATED TERM LOAN SECURITY AGREEMENT, dated as of July 2, 2015, among Academy, Ltd., a Texas limited partnership (the "Borrower"), each of the Subsidiaries listed on the signature pages hereto or that becomes a party hereto pursuant to Section 8.14 (each such entity being a "Subsidiary Grantor" and, collectively, the "Subsidiary Grantors"), and Morgan Stanley Senior Funding, Inc., as collateral agent (in such capacity, the "Collateral Agent") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, the Borrower is a party to the First Amended and Restated Credit Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, New Academy Holding Company, LLC, a Delaware limited liability company ("Holdings"), Associated Investors L.L.C. and Academy Managing Co., L.L.C., each a Texas limited liability company (the "Texas Intermediate Holdcos"), the Lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as the Administrative Agent and the Collateral Agent;

WHEREAS, (a) pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein and (b) one or more Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries;

WHEREAS, the Borrower, the Subsidiary Grantors and the Collateral Agent are party to the Security Agreement dated as of August 3, 2011 (the "Original Security Agreement");

WHEREAS, pursuant to the Amended and Restated Term Loan Guarantee dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), each Grantor party thereto has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

WHEREAS, it is intended that the Borrower will enter into, inter alia, an asset-based revolving credit facility (the "ABL Facility") with commitments of up to $650,000,000 pursuant to an ABL Credit Agreement dated as of the date hereof among Holdings, the Texas Intermediate Holdcos, the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as ABL Agent (the "ABL Agent").

WHEREAS, the ABL Intercreditor Agreement dated as of the date hereof between, inter alios, the Collateral Agent and the ABL Agent (the "ABL Intercreditor Agreement") governs the relative rights and priorities of the Secured Parties and the ABL Secured Parties (as defined therein) in respect of the Collateral and the ABL Priority Collateral (as defined below) (and with respect to certain other matters as described therein).

WHEREAS, each Grantor is the Borrower or a Subsidiary Guarantor;

WHEREAS, the proceeds of the Loans and the provision of Secured Cash Management Agreements and Secured Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to the Grantors in connection with the operation of their respective businesses; and

WHEREAS, each Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Loans and the provision of such Secured Cash Management Agreements and Secured Hedge Agreements;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower and to induce one or more Lenders or Affiliates of Lenders to enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries, the Grantors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, to amend and restate the Original Security Agreement in its entirety as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein): Account, Chattel Paper, Commercial Tort Claims, Commodity Contract, Deposit Accounts, Documents, Fixtures, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities, Securities Accounts, Security Entitlement, Software, Supporting Obligation and Tangible Chattel Paper.

(c) The following terms shall have the following meanings:

"ABL Priority Collateral" shall have the meaning assigned to that term in the ABL Intercreditor Agreement.

"Collateral" shall have the meaning provided in Section 2.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.1 or Section 5.3.

"Collateral Agent" shall have the meaning provided in the preamble to this Security Agreement.

"Control" shall mean "control," as such term is defined in Section 9-104 or 9-106, as applicable, of the UCC.

"Copyrights" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyrights arising under the laws of the United States, whether as author, assignee, transferee, licensee or otherwise, including copyrights in Software, and (ii) all registrations and applications for registration of any such copyright in the United States, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those U.S. registered copyrights owned by any Grantor and listed on Schedule 1.

"Default" or "Event of Default" shall mean a "default" or "event of default" under the Credit Agreement.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the UCC, now or hereafter owned by any Grantor or to which any Grantor has rights and, in any event, shall include all machinery, equipment, furnishings, movable trade fixtures and vehicles now or hereafter owned by any Grantor or to which any Grantor has rights and any and all Proceeds, additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding any Excluded Property.

"Excluded Property" shall mean (i) (x) all leasehold interests in real property and (y) any parcel of real estate and the improvements thereto owned in fee by a Credit Party not constituting Mortgaged Property (but not any Collateral located thereon), (ii) motor vehicles and other assets subject to certificates of title, letter of credit rights (other than to the extent such rights can be perfected by filing a UCC-1) and Commercial Tort Claims with a claim value of less than the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), (iii) those assets over which the granting of security interests in such assets would be prohibited by applicable law or regulation (in each case, except to the extent such prohibition is unenforceable after giving effect to applicable provisions of the Uniform Commercial Code of any applicable jurisdiction, other than proceeds thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction notwithstanding such prohibitions) or to the extent that such security interests would require obtaining the consent of any governmental authority (except to the extent such consent has been obtained) or would result in materially adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, (iv) margin stock and, to the extent requiring the consent of one or more third parties or prohibited by the terms of any applicable organizational documents, joint venture agreement or shareholders' agreement, Equity Interests in any Person other than Wholly-Owned Restricted Subsidiaries after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction, (v) those assets as to which the Administrative Agent and the Borrower reasonably determine in writing that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby, (vi) any intent-to-use trademark application filed in the United States Patent and Trademark Office prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, (vii) any contract, lease, license or other agreement or any property subject to a purchase money security interest, Capitalized Lease Obligation or similar arrangement permitted under the Credit Agreement to the extent that a grant of a security interest therein would violate or invalidate such contract lease, license or agreement or purchase money, Capitalized Lease Obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Guarantor) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction), other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction notwithstanding such prohibition and (viii) any property that is subject to a Lien permitted pursuant to clause (viii) or (ix) of the definition of "Permitted Liens" in the Credit Agreement if the contract or other agreement in which such Lien is granted (or the documentation providing for Indebtedness subject to such Lien) prohibits the creation of any other Lien on such property or creates a right of termination in favor of any other party thereto (other than a Credit Party) as a result of the creation of any such Lien; provided further that proceeds and products from any and all of the of the foregoing that would constitute Excluded Property shall also not be considered Collateral and proceeds and products from any and all of the foregoing that do not constitute Excluded Property shall be considered Collateral.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the UCC and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under

which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of such Grantor for damages arising out of any breach of or default thereunder and (d) all rights of such Grantor to terminate, amend, supplement, modify or exercise rights or options thereunder.

"Grantors" shall mean the Subsidiary Grantors and the Borrower, and "Grantor" shall mean each of them.

"Intellectual Property" shall mean all U.S. intellectual property, including all (i) (a) Patents, inventions, processes, developments, technology and know-how; (b) Copyrights, graphics, advertising materials, labels, package designs and photographs; (c) Trademarks; (d) trade secrets, designs, intellectual property rights in Software, data, databases and confidential, proprietary or non-public information; and (e) all other intellectual property rights, and (ii) all rights, priorities and privileges related thereto and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all Proceeds therefrom.

"Intercreditor Agreement" means the ABL Intercreditor Agreement and/or, in each case, if executed, any First Lien Intercreditor Agreement and/or Second Lien Intercreditor Agreement, as the context may require (each, an "Intercreditor Agreement" and collectively, the "Intercreditor Agreements").

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements and Commodity Contracts of any Grantor (other than Excluded Stock and Stock Equivalents).

"Obligations" shall mean the Obligations (as defined in the Credit Agreement).

"Patents" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person and arising under the laws of the United States: (a) all patents and pending applications in the United States Patent and Trademark Office, and (b) all reissues, reexaminations, continuations, divisionals, continuations-in-part, or extensions thereof, and the inventions, discoveries or designs disclosed or claimed therein, including those U.S. patents and applications therefor owned by any Grantor and listed on Schedule 2.

"Proceeds" shall mean all "proceeds" as such term is defined in Article 9 of the UCC and, in any event, shall include with respect to any Grantor, any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Collateral Agent, (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or injury to the goodwill associated with or symbolized thereby, (iii) past, present or future infringement of any Copyright now or hereafter owned by any Grantor and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Registered Intellectual Property" shall mean all Copyrights, Patents and Trademarks issued by, registered with, renewed by or the subject of a pending application before the United States Patent and Trademark Office or the United States Copyright Office.

"Secured Parties" shall mean the "Secured Parties" as defined in the Credit Agreement.

"Security Agreement" shall mean this Amended and Restated Term Loan Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Security Interest" shall have the meaning provided in Section 2.

"Short-form Intellectual Property Security Agreement" shall have the meaning assigned to such term in Section 3.2(b).

"Termination Date" shall have the meaning provided in Section 6.5(a).

"Trademarks" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person and arising under the laws of the United States: (i) all trademarks, service marks, trade names, brand names, domain names, corporate names, company names, business names, fictitious business names, trade dress, logos, other source or business identifiers and designs, all registrations and recordings thereof (if any), and all registrations and applications filed in connection therewith in the United States Patent and Trademark Office or any similar offices in any State of the United States, and all extensions or renewals thereof, including those U.S. registered trademarks and applications therefor owned by any Grantor and listed on Schedule 3 hereto, and (ii) all goodwill associated therewith or symbolized thereby.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of any provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"Vehicles" shall mean all cars, trucks, trailers, and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing.

Sections 1.2, 1.5, 1.9 and 1.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

2. Grant of Security Interest.

(a) Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, and hereby confirms its prior grant to the Collateral Agent, for the benefit of the Secured Parties of, a lien on and security interest in (the "Security Interest"), all of its right, title and interest in, to and under all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Commercial Tort Claims described on Schedule 4 (as such Schedule may be amended from time to time);

(iv) all Documents;

(v) all Equipment, Fixtures and Goods;

(v) all General Intangibles;

(vii) all Instruments;

(viii) all Intellectual Property;

(ix) all Inventory;

(x) all Investment Property;

(xi) all cash and Deposit Accounts;

(xii) all Supporting Obligations;

(xiii) all books and records pertaining to the Collateral; and

(xiv) the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

provided that the Collateral (or any defined term used in the definition thereof) for any Obligations shall not include any (x) Excluded Stock and Stock Equivalents with respect to such Obligations or (y) Excluded Property; provided, however, that Collateral shall include any Proceeds, substitutions or replacements of any assets referred to in the foregoing clauses (x) and (y) (unless such Proceeds, substitutions or replacements would constitute assets referred to in clause (x) or (y)).

This Security Agreement amends and restates the Original Security Agreement. The obligations under the Original Security Agreement of the Grantors party thereto and the grant of security interest in the Collateral under the Original Security Agreement by the applicable Grantors party thereto shall continue under this Security Agreement, and shall not in any event be terminated, extinguished, annulled or otherwise affected in any manner hereby, but shall hereafter be governed by this Security Agreement. All references to the Security Agreement in any Credit Document or other document or

instrument delivered in connection therewith shall be deemed to refer to the Original Security Agreement, as amended and restated pursuant to this Security Agreement and the provisions hereof. It is understood and agreed that the Original Security Agreement is being amended and restated by entry into this Security Agreement on the date hereof. To the extent applicable, the Grantors hereby acknowledge, confirm and agree that any financing statements, fixture filings, filings with the United States Patent and Trademark Office or the United States Copyright Office or other instrument similar in effect to the foregoing under applicable law covering all or any part of the Collateral previously filed in favor of the Collateral Agent under the Original Security Agreement are in full force and effect as of the date hereof and effectuate the perfection of the security interests granted under the Original Security Agreement and this Security Agreement, and each Grantor ratifies its authorization for the Collateral Agent to file in any relevant jurisdictions any such financing statement, fixture filing or other instrument relating to all or any part of the Collateral if filed prior to the date hereof.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and, with notice to the applicable Grantors, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interests of the Collateral Agent under this Security Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets", "all assets now owned or hereafter acquired" or words of similar effect, provided that with respect to fixtures the Collateral Agent shall only file or record financing statements in the jurisdiction of organization of a Grantor, except in connection with a Mortgage. Each Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements.

Subject to the limitations contained herein and in the Credit Agreement, each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 2(b).

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office), with the signature of each applicable Grantor, such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted hereunder by each Grantor and naming any Grantor or the Grantors as debtors and the Collateral Agent, as the case may be, as secured party.

The Security Interests are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral, unless the Collateral Agent has expressly assumed such obligations or liabilities and released the Grantors from such obligations and liabilities.

No perfection through control, control agreements or other control arrangements (other than delivery of certificated Equity Interests and Instruments to the extent required hereunder and control over Collateral Account) shall be required, including with respect to Deposit Accounts, Securities Accounts and Commodities Accounts; provided that, to the extent any Deposit Accounts and Securities Accounts are under the control of the collateral agent under the ABL Facility at any time pursuant to the terms of the ABL Intercreditor Agreement, the collateral agent under the ABL Facility shall act as agent and gratuitous bailee for the Collateral Agent for the purpose of perfecting the Collateral Agent's liens in such Deposit Accounts and Security Accounts.

3. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each Secured Party on the date hereof (and on the date of each Credit Event) that:

3.1 Title; No Other Liens. Except for (a) the Security Interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement and the Pledge Agreement and (b) the Liens permitted by the Credit Agreement (and which, in the case of Liens permitted in respect of the ABL Facility pursuant to Section 10.2 thereof, are subject to the ABL Intercreditor Agreement), such Grantor owns, or has valid leaseholds in or the right to use, each item of the Collateral free and clear of any and all Liens. To the knowledge of such Grantor, no security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement, (ii) are permitted by the Credit Agreement (and which, in the case of Liens permitted in respect of the ABL Facility pursuant to Section 10.2 thereof, are subject to the ABL Intercreditor Agreement) or (iii) relate to obligations no longer outstanding or are in respect of commitments to lend which have been terminated and, in each case, with respect to which the Grantors have provided to the Collateral Agent a payoff letter and UCC-3 termination statements and other releases satisfactory to the Collateral Agent.

3.2 Perfected Liens.

(a) After giving effect to the Transactions, this Security Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral (with respect to Collateral consisting of Capital Stock of Foreign Subsidiaries, Stock Equivalents issued by Foreign Subsidiaries and Indebtedness of Foreign Subsidiaries, to the extent the enforceability of such Security Interest is governed by the UCC), subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally, general equitable principles, and principles of good faith and fair dealing.

(b) Subject to the limitations set forth in clause (c) of this Section 3.2, the Security Interests granted pursuant to this Security Agreement (i) will constitute valid and perfected Security Interests in the Collateral (to the extent perfection may be obtained by the filings or other actions described in clause (A), (B) or (C) of this paragraph) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, upon (A) with respect to Collateral in which perfection can be obtained by filing a financing statement, the filing in the applicable filing offices of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral, (B) with respect to Instruments, Chattel Paper, Certificated Securities and negotiable Documents, delivery to the Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Certificated Securities and negotiable Documents in each case, properly endorsed for transfer in blank and (C) with respect to Intellectual Property that is not Excluded Property, completion or recordation of the filing of a fully executed agreement substantially in the form of Annex B hereof (the "Short-form Intellectual Property Security Agreement") and containing a description of all Collateral constituting Registered Intellectual Property in the United States Patent and Trademark Office, with respect to U.S. registered and applied for Patents and Trademarks, within 90 days from the execution date of such Short-form Intellectual Property Security Agreement, or in the United States Copyright Office, with respect to U.S. registered Copyrights, within thirty (30) days from the execution date of such Short-form Intellectual Property Security Agreement, as applicable and (ii) are prior to all other Liens on the

Collateral other than Liens permitted pursuant to Section 10.2 of the Credit Agreement (and which, in the case of Liens permitted in respect of the ABL Facility pursuant to Section 10.2 thereof, are subject to the ABL Intercreditor Agreement).

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Security Agreement or the Pledge Agreement by any means other than by (i) filings pursuant to the Uniform Commercial Code of the relevant State(s), (ii) filings approved or required by United States federal government offices with respect to Registered Intellectual Property under applicable United States law, (iii) delivery to the Collateral Agent (or its bailee) to be held in its possession of all Collateral consisting of (y) Pledged Shares and Pledged Debt (each as defined in the Pledge Agreement) and (z) Tangible Chattel Paper, Instruments or Certificated Securities (other than Pledged Shares and Pledged Debt) with a fair market value in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) individually; and (iv) actions to perfect a security interest in Commercial Tort Claims to the extent set forth in Section 4.1(f). No additional actions shall be required hereunder with respect to any assets that are located outside of the United States or assets that require action under the law of any non-U.S. jurisdiction to create or perfect a security interest in such assets; it being understood, for the avoidance of doubt, that there shall be no requirement to execute any security agreement or pledge agreement governed by the laws of any non-U.S. jurisdiction. .

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses.

3.3 Schedules

(a) As of the Closing Date, Schedule 1 sets forth a true and complete list of all of each Grantor's United States registered and applied for Copyrights, including the name of the registered owner and the registration number.

(b) As of the Closing Date, Schedule 2 and Schedule 3 set forth a true and complete list of all of each Grantor's Patents and Trademarks, respectively, applied for or registered with the United States Patent and Trademark Office, including the name of the registered owner or applicant and the registration, application, or publication number, as applicable, of each United States Patent or United States registered Trademark owned by each Grantor.

(c) As of the Closing Date, Schedule 5(a) sets forth, with respect to each Grantor, (i) its exact legal name, as such name appears in its respective certificate of incorporation or formation or any other organizational document filed in its jurisdiction of incorporation, formation or organization, (ii) its type of organization, (iii) its organizational identification number, if any, (iv) its jurisdiction of formation and (v) the address of its chief executive office. As of the Closing Date, set forth in Schedule 5(b) hereto is a list of (w) any other corporate or organizational legal names each Grantor has had, together with the date of the relevant change, (x) all other names used by each Grantor, (y) any other business or organization to which each Grantor became the successor by merger, consolidation or acquisition, (other than any merger or consolidation with, or acquisition from, any other Grantor), and in each case to the extent such merger, consolidation or acquisition exceeded the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), and any changes in the form, nature or jurisdiction of organization or otherwise, and (z) all other names used by each Grantor on any filings with the Internal Revenue Service, in the case of each of clauses (w) through (z), at any time in the past five years. As of the Closing Date, except as set forth in Schedule 5(c), no Grantor has changed is jurisdiction of organization at any time during the past four months.

4. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Security Agreement until the Termination Date:

4.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) Except as otherwise permitted in the Credit Documents, such Grantor shall maintain the Security Interest created by this Security Agreement as a perfected Security Interest having at least the priority described in Section 3.2(b) and shall use commercially reasonable efforts to defend such Security Interest against the material claims and demands of all Persons (except to the extent that the Agent and the Borrower agree that the cost of such defense is excessive in relation to the benefit to the Lenders of the security interest and priority), in each case other than a Security Interest in assets of such Grantor subject to a disposition permitted by Sections 10.3 and 10.4 of the Credit Agreement to a Person that is not a Credit Party, and in each case subject to Section 3.2(c).

(b) Such Grantor will furnish to the Collateral Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Such Grantor will (A) furnish to the Collateral Agent at the time of the delivery of the financial statements provided for in Section 9.1(a) of the Credit Agreement: a schedule setting forth any new or additional Registered Intellectual Property owned by any Grantor, which has not been previously disclosed to the Collateral Agent, following the Closing Date (or following the date of the last supplement provided to the Collateral Agent pursuant to this Section 4.1(c)), all in reasonable detail, and (B) within thirty (30) days following the delivery of such financial statements, execute and file appropriate supplement agreements in substantially the same form as the Short-form Intellectual Property Security Agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, evidencing the Collateral Agent's security interest in such new or additional Registered Intellectual Property.

(d) Subject to clause (e) below, Section 3.2(c) and Section 4.1(a), each Grantor agrees that at any time and from time to time, at the expense of such Grantor, it will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents, including all applicable documents required under Section 3.2(b)(C)), which may be required under any applicable law, or which, subject to the terms of the Intercreditor Agreements, the Collateral Agent may reasonably request, in order (i) to grant, preserve, protect and perfect the validity and priority of the Security Interests created or intended to be created hereby or (ii) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 3.2(b)(C), all at the expense of such Grantor.

(e) Notwithstanding anything in this Section 4.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a Subsidiary that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement and this Section 4.1.

(f) As of the date hereof, each Grantor hereby represents and warrants that it holds no Commercial Tort Claims with a claim value of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) or more other than those listed in Schedule 4. If any Grantor shall at any time hold or acquire a Commercial Tort Claim with a claim value of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) or more, such Grantor shall promptly (and in any event within thirty (30) days upon obtaining knowledge thereof, or such longer period as the Collateral Agent may reasonably agree) notify the Collateral Agent in a writing signed by such Grantor of the brief details thereof which writing shall serve to supplement Schedule 4 hereto.

(g) With respect to each material item of its Intellectual Property included in the Collateral, each Grantor agrees to take, at its expense, all commercially reasonable steps, including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office, to (i) maintain the validity and enforceability of such material Intellectual Property and maintain such material Intellectual Property in full force and effect, and (ii) pursue the registration and maintenance of each patent, trademark or servicemark registration or application, or copyright registration or application, now or hereafter included in such material Intellectual Property of such Grantor, including, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, and the payment of maintenance fees. Each Grantor shall take all commercially reasonable steps which it, or the Collateral Agent (during the continuation of an Event of Default), deems reasonable and appropriate under the circumstances to preserve and protect each material item of its Intellectual Property included in the Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the material Trademarks, at least consistent with the quality of the products and services as of the date hereof, and taking all commercially reasonable steps to ensure that all licensed users of any of the material Trademarks use such consistent standards of quality.

4.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent promptly (and in any event within thirty (30) days (or such longer period as the Collateral Agent may reasonably agree) of such change) a written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or, if not a registered organization, location for purposes of the UCC, (iii) in its type of organization or corporate structure which would impair the perfection and priority of the Security Interest granted hereby; or (iv) in its organizational identification number (if any). Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph and, subject to Section 3.2(c), take all other action reasonably necessary to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts.

(a) At any time after the occurrence and during the continuance of an Event of Default and after giving reasonable notice to the Borrower and any other relevant Grantor, the Collateral Agent shall have the right, but not the obligation, to make test verifications of the Accounts in any manner and through any medium that the Collateral Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) The Collateral Agent hereby authorizes each Grantor to collect such Grantor's Accounts and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default and after giving reasonable prior notice to the Borrower and any other relevant Grantor. If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two (2) Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 5.4 and (ii) until so turned over, shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Collateral Agent's request at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements, each Grantor shall deliver to the Collateral Agent all original (if available) and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including all original (if available) orders, invoices and shipping receipts.

(d) Each Grantor hereby grants to the Collateral Agent, to be exercised solely upon the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements, solely for the purpose of enabling Agent to exercise rights and remedies under this Article 5, and solely to the extent such grant would not constitute or result in the abandonment, termination, acceleration, invalidation of or rendering unenforceable any right, title or interest therein or result in a breach of the terms of, or constitute a breach or default under such Intellectual Property, a non-exclusive, fully paid-up, royalty-free, worldwide license to use, license or sublicense (on a non-exclusive basis) any of the Intellectual Property included in the Collateral and now owned or hereafter acquired by such Grantor (subject to the rights of any person or entity under any pre-existing license or other agreement); provided, however, that nothing in this Section 5.1 shall require any Grantor to grant any license that is prohibited by any rule of law, statute or regulation or is prohibited by, or constitutes a breach of default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation under any contract, license, agreement, instrument or other document evidencing, giving rise to a right to use or theretofore granted with respect to such property, provided, further, that such licenses to be granted hereunder with respect to Trademarks shall be subject to reasonable quality control standards applicable to each such Trademark as in effect as of the date such licenses hereunder are granted. Any license granted pursuant to this Section 5.1(d) shall be exercisable solely during the continuance of an Event of Default.

5.2 Communications with Credit Parties; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements, after giving reasonable notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements, each Grantor shall notify obligors on the Accounts that the Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Unless the Collateral Agent has expressly in writing assumed the obligations and liabilities with respect thereto, and released the Grantors therefrom, neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.3 Proceeds to be Turned Over To Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent, subject to the terms of the Intercreditor Agreements, so requires by notice in writing to the relevant Grantor, all Proceeds received by any Grantor consisting of cash, checks and other near cash items shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. Subject to the Intercreditor Agreements then in effect, the Collateral Agent shall apply the proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in the order set forth in Section 11.12 of the Credit Agreement.

If, despite the provisions of this Security Agreement, any Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Obligations to which it is then entitled in accordance with this Security Agreement, such Secured Party shall hold such payment or other recovery in trust for the benefit of all Secured Parties hereunder for distribution in accordance with this Section 5.4.

5.5 Code and Other Remedies. Subject to the terms of the Intercreditor Agreements, if an Event of Default shall occur and be continuing, and after giving prior notice to the Borrower and any applicable Grantor, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other applicable law (whether or not the UCC applies to

the affected Collateral) and also may with notice to the relevant Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange, broker's board, office of the Collateral Agent or any Secured Party or elsewhere for cash or on credit or for future delivery at such price or prices and upon such other terms as it may deem advisable irrespective of the impact of any such sales on the market price of the Collateral. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Grantor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.5 in accordance with the provisions of Section 5.4.

5.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable and documented fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency (in each case subject to the limitations set forth in Section 13.5 of the Credit Agreement).

5.7 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Secured Cash Management Agreements, Secured Hedge Agreements and any other documents executed and delivered in connection therewith may, in accordance with Section 13.1 of the Credit Agreement or any applicable Secured Cash Management Agreement or Secured Hedge Agreement, be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Hedge Agreement or

Secured Cash Management Agreement, the Hedge Bank or Cash Management Bank party thereto) may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Security Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Grantor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Grantor or any other Person or any release of any Grantor or any other Person shall not relieve any Grantor in respect of which a demand or collection is not made or any Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

6. The Collateral Agent.

6.1 Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate with respect to such Grantor on the Termination Date or, if sooner, upon the termination or release of such Grantor hereunder pursuant to Section 6.5, effective upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or advisable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after the occurrence and during the continuance of an Event of Default and after written notice by the Collateral Agent to the Borrower and any applicable Grantor of its intent to do so:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account constituting Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Account constituting Collateral or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) upon at least three (3) Business Days' prior written notice, pay or discharge taxes and Liens levied or placed on or threatened against the Collateral (other than taxes not required to be discharged under the Credit Agreement and other than Permitted Liens);

(iv) execute, in connection with any sale provided for in Section 5.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) obtain and adjust insurance required to be maintained by such Grantor pursuant to Section 9.3 of the Credit Agreement;

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding with respect to the Collateral and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral); and

(xii) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing and after the expiration of any notice periods otherwise required hereunder or under any other Credit Document.

(b) Subject to any limitations of the Collateral Agent to take actions as set forth in clause (a), if any Grantor fails to perform or comply with any of its agreements contained herein within a reasonable period of time after the Collateral Agent has requested it to do so, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable and documented out-of-pocket expenses of the Collateral Agent, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the Credit Agreement, incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent within ten (10) Business Days of receipt by the Borrower of an invoice setting forth such expense in reasonable detail.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Security Agreement are coupled with an interest and are irrevocable until this Security Agreement is terminated and the Security Interests created hereby are released.

6.2 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own respective gross negligence or willful misconduct as determined in a final non-appealable judgment of a court of competent jurisdiction. The Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Secured Parties for any failure to monitor or maintain any portion of the Collateral.

6.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Intercreditor Agreements and the Credit Agreement, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

6.4 Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional.

6.5 Continuing Security Interest; Assignments Under the Credit Agreement; Release.

(a) This Security Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the Credit Agreement until the date on which all Obligations (other than, in each case, any contingent indemnity obligations not then due, any Secured Hedge Obligations or any Secured Cash Management Obligations) shall have been satisfied by payment in full and the Commitments shall have been terminated (such date, the "Termination Date"), notwithstanding that from time to time during the term of the Credit Agreement, the Credit Parties may be free from any Obligations.

(b) A Grantor shall automatically be released from its obligations hereunder as it relates to the Obligations (as defined in the Credit Agreement) if it ceases to be a Credit Party in accordance with Section 13.1 of the Credit Agreement.

(c) The Security Interest granted hereby in any Collateral shall automatically be released as it relates to the Obligations (i) to the extent provided in Section 13.1 of the Credit Agreement and (ii) upon the effectiveness of any written consent to the release of the Security Interest granted hereby in such Collateral pursuant to Section 13.1 of the Credit Agreement. Any such release in connection with any sale, transfer or other disposition of such Collateral permitted under the Credit Agreement to a Person that is not a Credit Party shall result in such Collateral being sold, transferred or disposed of, as applicable, free and clear of the Lien and Security Interest created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release subject to, if reasonably requested by the Collateral Agent, the Collateral Agent's receipt of a certification by the Borrower and the applicable Grantor stating that such transaction is in compliance with the Credit Agreement and the other Credit Documents. Any execution and delivery of documents pursuant to this Section 6.5 shall be without recourse to or warranty by the Collateral Agent.

6.6 Reinstatement. Each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other Person, including any Grantor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7. Collateral Agent As Agent.

(a) Morgan Stanley Senior Funding, Inc. has been appointed to act as the Collateral Agent under the Credit Agreement, by the Lenders under the Credit Agreement and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Security Agreement and the Credit Agreement, provided that the Collateral Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, except to the extent specifically set forth in Section 5 of the Guarantee, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the ratable benefit of the applicable Lenders and Secured Parties in accordance with the terms of this Section 7(a).

(b) The Collateral Agent shall at all times be the same Person that is the Collateral Agent under the Credit Agreement. Written notice of resignation by the Collateral Agent pursuant to Section 12.9 of the Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Security Agreement; removal of the Collateral Agent shall also constitute removal under this Security Agreement; and appointment of a Collateral Agent pursuant to Section 12.9 of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Security Agreement. Upon the acceptance of any appointment as Collateral Agent under Section 12.9 of the Credit Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Security Agreement, and the retiring or removed Collateral Agent under this Security Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Security Agreement and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the Security Interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Security Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was Collateral Agent hereunder.

(c) Neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable to any party for any action taken or omitted to be taken by any of them under or in connection with this Security Agreement or any Security Document (except for its or such other Person's own gross negligence or willful misconduct, as determined in a final non-appealable judgment of a court of competent jurisdiction).

8. Miscellaneous.

8.1 Intercreditor Agreements. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Agent pursuant to this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of any Intercreditor Agreement then in effect. In the event of any conflict between the terms of any Intercreditor Agreement then in effect and the terms of this Security Agreement, the terms of such Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of any such Intercreditor Agreement.

8.2 Amendments in Writing. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Grantor and the Collateral Agent in accordance with Section 13.1 of the Credit Agreement.

8.3 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to (i) any Grantor shall be given to it in care of the Borrower at the Borrower's address set forth on Schedule 13.2 to the Credit Agreement.

8.4 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.2), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.5 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay any and all reasonable and documented out of pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Grantor under this Security Agreement, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the Credit Agreement.

(b) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Security Agreement to the extent the Credit Parties would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(c) The agreements in this Section 8.5 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.6 Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Grantor may assign, transfer or delegate any of its rights or obligations under this Security Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the Credit Agreement.

8.7 Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Security Agreement signed by all the parties shall be lodged with the Collateral Agent and the Borrower.

8.8 Severability. Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.9 Section Headings. The Section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Security Agreement together with the other Credit Documents represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth herein or in the other Credit Documents.

8.11 **GOVERNING LAW. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK**.

8.12 Submission To Jurisdiction Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Security Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 8.3 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Grantor in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.12 any special, exemplary, punitive or consequential damages.

8.13 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Security Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Security Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Grantors and the Lenders and any other Secured Party.

8.14 Additional Grantors. Each Subsidiary that is required to become a party to this Security Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Subsidiary Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Security Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

8.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

ACADEMY, LTD.,
as Borrower

By: Academy Managing Co., L.L.C.,
as its general partner

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY FINANCE CORPORATION,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY.COM, L.L.C.,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

BRAZOS SPORTS RETAIL MANAGEMENT, L.L.C.,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY ADMINISTRATIVE SERVICES, L.L.C.
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page for Amended and Restated Term Loan Security Agreement]

MORGAN STAN LEY SENIOR FUNDING, INC.
as the Collateral Agent

By: /s/ Stephen B. King
Name: Stephen B. King
Title: Vice President

[Signature Page for Amended and Restated Term Loan Security Agreement]

Exhibit 10.3

Execution Version

AMENDED AND RESTATED TERM LOAN PLEDGE AGREEMENT

THIS AMENDED AND RESTATED TERM LOAN PLEDGE AGREEMENT, dated as of July 2, 2015 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Pledge Agreement"), among New Academy Holding Company, LLC, a Delaware limited liability company, as Holdings ("Holdings"), Associated Investors L.L.C., a Texas limited liability company, Academy Managing Co., L.L.C., a Texas limited liability company (together Associated Investors L.L.C., the "Texas Intermediate Holdcos"), Academy, Ltd., a Texas limited partnership (the "Borrower"), each of the Subsidiaries listed on the signature pages hereto or that becomes a party hereto pursuant to Section 28 hereof (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors") and Morgan Stanley Senior Funding, Inc., as collateral agent (in such capacity, the "Collateral Agent") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, Holdings, the Texas Intermediate Holdcos and the Borrower are party to the First Amended and Restated Credit Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among Holdings, the Texas Intermediate Holdcos, the Borrower, the lending institutions from time to time parties thereto (each a "Lender" and, collectively, the "Lenders") and Morgan Stanley Senior Funding, Inc., as the Administrative Agent, the Collateral Agent and a Lender;

WHEREAS, (a) pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein and (b) one or more Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries;

WHEREAS, the Borrower, the Subsidiary Pledgors and the Collateral Agent are party to the Pledge Agreement dated as of August 3, 2011 (the "Original Pledge Agreement");

WHEREAS, pursuant to the Amended and Restated Term Loan Guarantee, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), each Subsidiary Pledgor has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (as defined below);

WHEREAS, pursuant to the Term Loan Holdings Guarantee, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Holdings Guarantee"), Holdings and each Texas Intermediate Holdco has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (as defined below);

WHEREAS, it is intended that the Borrower will enter into, *inter alia*, an asset-based revolving credit facility (the "ABL Facility") with commitments of up to $650,000,000 pursuant to an ABL Credit Agreement dated as of the date hereof among Holdings, the Texas Intermediate Holdcos, the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as ABL Agent (the "ABL Agent").

WHEREAS, the ABL Intercreditor Agreement entered into on the date hereof between the Collateral Agent and the ABL Agent (the "ABL Intercreditor Agreement") governs the relative rights and priorities of the Secured Parties and the ABL Secured Parties (as defined therein) in respect of the Collateral and the ABL Priority Collateral (as defined below) (and with respect to certain other matters as described therein).

WHEREAS, the proceeds of the Loans and the provision of Secured Cash Management Agreements and Secured Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to the other Pledgors in connection with the operation of their respective businesses;

WHEREAS, each Pledgor acknowledges that it will derive substantial direct and indirect benefit from the making of the Loans and the provision of Secured Cash Management Agreements and Secured Hedge Agreements; and

WHEREAS, as of the date hereof, (a) the Pledgors are the legal and beneficial owners of the Equity Interests described in Schedule 1 hereto and issued by the entities named therein (such Equity Interests, together with any Equity Interests of the issuer of such Equity Interests or any other issuer directly held by any Pledgor hereafter, in each case, except to the extent excluded from the Collateral for the Obligations pursuant to the last paragraph of Section 2 below, referred to collectively herein as the "Pledged Shares") and (b) each of the Pledgors is the legal and beneficial owner of the Indebtedness evidenced by a promissory note in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) and described in Schedule 1 hereto (together with any other Indebtedness owed to any Pledgor on the date hereof and any time hereafter, including the promissory notes required to be pledged pursuant to Section 9.12 of the Credit Agreement, referred to collectively herein as the "Pledged Debt");

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans and to induce one or more Agent, Lenders or Affiliates of Agents or Lenders to enter into Secured Cash Management Agreements with Holdings and/or its Restricted Subsidiaries and Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries, the Pledgors hereby agree with the Collateral Agent, for the benefit of the Secured Parties to amend and restate the Original Pledge Agreement in its entirety, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. Any term used herein or in the Credit Agreement without definition that is defined in the UCC has the meaning given to it in the UCC.

(b) "ABL Priority Collateral" shall have the meaning assigned that term in the ABL Intercreditor Agreement.

(c) "Collateral" shall have the meaning provided in Section 2.

(d) "Collateral Agent" shall have the meaning provided in the preamble hereto.

(e) "Equity Interests" shall mean, collectively, Capital Stock and Stock Equivalents.

(f) "Guarantee" shall have the meaning provided in the recitals hereto.

(g) "Holdings" shall have the meaning provided in the recitals hereto.

(h) "Intercreditor Agreement" means the ABL Intercreditor Agreement and/or, in each case if executed, any First Lien Intercreditor Agreement and/or Second Lien Intercreditor Agreement and/or, as the context may require (each, an "Intercreditor Agreement" and collectively, the "Intercreditor Agreements").

(i) "Obligations" shall mean the Obligations (as defined in the Credit Agreement).

(j) "Pledge Agreement" shall have the meaning provided in the preamble hereto.

(k) "Pledged Debt" shall have the meaning provided in the recitals hereto.

(l) "Pledged Shares" shall have the meaning provided in the recitals hereto.

(m) "Pledgors" shall mean the Subsidiary Pledgors, Holdings, the Texas Intermediate Holdcos and the Borrower.

(n) "Proceeds" has the meaning given to it in the UCC.

(o) "Security Interest" shall have the meaning provided in Section 2.

(p) "Subsidiary Pledgor" shall have the meaning provided in the recitals hereto.

(q) "Termination Date" shall have the meaning ascribed thereto in Section 13(a).

(r) "Texas Intermediate Holdcos" shall have the meaning provided in the recitals hereto.

(s) "UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(t) Sections 1.2, 1.5, 1.9 and 1.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

2. Grant of Security. As collateral security for the payment and performance when due of all of the Obligations, each Pledgor hereby collaterally assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties, and grants to the Collateral Agent, for the benefit of the Secured Parties, and hereby confirms its prior assignment and pledge to the Collateral Agent, for the benefit of the Secured Parties of, and its prior grant to the Collateral Agent, for the benefit of the Security Parties of, a lien on and a security interest in (the "Security Interest") all of such Pledgor's right, title and interest in, to and under the following, whether now owned or existing or at any time hereafter acquired or existing (collectively, the "Collateral"):

(a) the Pledged Shares held by such Pledgor and the certificates representing such Pledged Shares and any interest of such Pledgor in the entries on the books of the issuer of the Pledged

Shares or any financial intermediary pertaining to the Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(b) the Pledged Debt and the instruments evidencing the Pledged Debt owed to such Pledgor, and all interest, cash, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Collateral.

Notwithstanding the foregoing, the Collateral (and any defined term used in the definition thereof) for the Obligations shall not include any Excluded Stock and Stock Equivalents or any Excluded Property.

This Pledge Agreement amends and restates the Original Pledge Agreement. The obligations under the Original Pledge Agreement of the Pledgors party thereto and the grant of security interest in the Collateral under the Original Pledge Agreement by the applicable Pledgors party thereto shall continue under this Pledge Agreement, and shall not in any event be terminated, extinguished, annulled or otherwise affected in any manner hereby, but shall hereafter be governed by this Pledge Agreement. All references to the Pledge Agreement in any Credit Document or other document or instrument delivered in connection therewith shall be deemed to refer to the Original Pledge Agreement, as amended and restated pursuant to this Pledge Agreement and the provisions hereof. It is understood and agreed that the Original Pledge Agreement is being amended and restated by entry into this Pledge Agreement on the date hereof.

3. Delivery of the Collateral. All certificates or instruments, if any, representing or evidencing the Collateral shall be (a) in the case of such Collateral existing as of the date hereof, delivered on the date hereof, other than any that are delivered on a later date pursuant to Section 9.14(d) of the Credit Agreement, and (b) in the case of such Collateral acquired after the date hereof, promptly (and in any event within 90 days of the acquisition thereof (or such longer period as the Collateral Agent may reasonably agree)), delivered by the applicable Pledgor to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time after the occurrence and during the continuance of an Event of Default, subject to the Intercreditor Agreements, and upon at least 3 Business Days' prior written notice to the relevant Pledgor, to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Pledged Shares.

4. Representations and Warranties. Each Pledgor represents and warrants, after giving effect to the Transactions, as follows:

(a) Schedule 1 hereto (i) correctly represents as of the Closing Date (A) the issuer, the certificate number, the Pledgor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of issuance and maturity date of all Pledged Debt and (ii) together with the comparable schedule to each supplement hereto, includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder. Except as set forth on Schedule 1, and except for Excluded Stock and Stock Equivalents, the Pledged Shares represent all (or 66% in the case of pledges of the Voting Stock of Foreign Subsidiaries of any Domestic Subsidiary) of the issued and outstanding Equity Interests of each class of Equity Interests in the issuer on the Closing Date.

(b) Such Pledgor is the legal and beneficial owner of the Collateral pledged or collaterally assigned by such Pledgor hereunder free and clear of any Lien, except for Permitted Liens (and which, in the case of Permitted Liens in respect of the ABL Facility, are subject to the ABL Intercreditor Agreement) and the Lien created by this Pledge Agreement.

(c) As of the Closing Date, the Pledged Shares pledged by such Pledgor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable, in each case, to the extent such concepts are applicable in the jurisdiction of organization of the respective issuer.

(d) The execution and delivery by such Pledgor of this Pledge Agreement and the pledge of the Collateral pledged by such Pledgor hereunder pursuant hereto create a legal, valid and enforceable security interest in such Collateral (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the creation of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction) and, upon delivery of such Collateral to the Collateral Agent or filing of UCC financing statements, shall constitute a fully perfected Lien on and security interest in the Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the benefit of the Secured Parties (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the creation and perfection of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction), except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

(e) Such Pledgor has full organizational power, authority and legal right to pledge all the Collateral pledged by such Pledgor pursuant to this Pledge Agreement and this Pledge Agreement constitutes a legal, valid and binding obligation of each Pledgor (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the enforceability of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction), enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

5. Certification of Limited Liability Company, Limited Partnership Interests, Equity Interests in Foreign Subsidiaries and Pledged Debt.

(a) With respect to any Equity Interests in any Subsidiary constituting Collateral that are not a security as defined in Section 8-102(a)(15) of the Uniform Commercial Code of any applicable jurisdiction or pursuant to Section 8-103 of the Uniform Commercial Code of any applicable jurisdiction, if any Pledgor shall take any action that, under such sections, converts such Equity Interests into a security, such Pledgor shall give prompt written notice thereof to the Collateral Agent and cause the issuer thereof to issue to it certificates or instruments evidencing such Equity Interests, which it shall promptly deliver to the Collateral Agent as provided in Section 3.

(b) Each Pledgor will comply with Section 9.12 of the Credit Agreement.

(c) In the event that any Equity Interests in any Foreign Subsidiary constituting Collateral are not represented by a certificate, the Pledgors agree not to permit such Foreign Subsidiary to issue Equity Interests represented by a certificate to any other Person.

6. Further Assurances. Subject to the terms and limitations of Sections 9.11, 9.12 and 9.14 of the Credit Agreement and 3.2(c) of the Security Agreement, each Pledgor agrees that at any time and from time to time, at the expense of such Pledgor, it will execute or otherwise authorize the filing of any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, deeds of trust and other documents), which may be required under any applicable law, or which the Collateral Agent may reasonably request, in order (x) to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby (including the priority thereof) or (y) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Each Pledgor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements (including financing statements describing collateral as "all assets" or words of similar effect), amendments to financing statements and, with notice to the applicable Grantors, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interest of the Collateral Agent under this Pledge Agreement.

7. Voting Rights; Dividends and Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Pledge Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to paragraph (c) below, each Pledgor shall be entitled to receive and retain and use, free and clear of the Lien created by this Pledge Agreement, any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the Credit Agreement, as applicable; provided, however, that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Collateral and shall, if received by such Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

(c) Upon at least three Business Days' prior written notice to a Pledgor by the Collateral Agent that the Collateral Agent is exercising its rights under this Section 7(c), following the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements,

(i) all rights of such Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 7(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall

thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default, provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreements, to permit the Pledgors to exercise such rights. After all Events of Default have been cured or waived, each Pledgor will have the right to exercise the voting and consensual rights that such Pledgor would otherwise be entitled to exercise pursuant to the terms of Section 7(a)(i) (and the obligations of the Collateral Agent under Section 7(a)(ii) shall be reinstated);

(ii) all rights of such Pledgor to receive the dividends, distributions and principal and interest payments that such Pledgor would otherwise be authorized to receive and retain pursuant to Section 7(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which, subject to the terms of the Intercreditor Agreements, shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. After all Events of Default have been cured or waived, the Collateral Agent shall repay to each Pledgor (without interest) all dividends, distributions and principal and interest payments not otherwise applied in accordance with Section 11(b) that such Pledgor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 7(b);

(iii) all dividends, distributions and principal and interest payments that are received by such Pledgor contrary to the provisions of Section 7(b) shall be received in trust for the benefit of the Collateral Agent and segregated from other property or funds of such Pledgor and shall forthwith be delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 7(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to Section 7(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 7(c)(ii) and (c)(iii) above, such Pledgor shall from time to time execute and deliver to the Collateral Agent, appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request in writing, subject to the terms of the Intercreditor Agreements.

8. Transfers and Other Liens; Additional Collateral; Etc. Subject to the terms of the Intercreditor Agreements, each Pledgor shall:

(a) not (i) except as permitted by the Credit Agreement, sell or otherwise dispose of, or grant any option or warrant with respect to, any of the Collateral or (ii) create or suffer to exist any consensual Lien upon or with respect to any of the Collateral, except for the Lien created by this Pledge Agreement; provided that, subject to the provisions of the Intercreditor Agreements then in effect, in the event such Pledgor sells or otherwise disposes of assets as permitted by the Credit Agreement to a Person that is not a Credit Party, and such assets are or include any of the Collateral, the Lien created by this Pledge Agreement shall be automatically released concurrently with the consummation of such sale, and upon the request of the applicable Pledgor the Collateral Agent shall evidence such release of such Collateral to such Pledgor; and

(b) use commercially reasonable efforts to defend its and the Collateral Agent's title or interest in and to all the Collateral (and in the Proceeds thereof) against any and all Liens (other than

Permitted Liens (and which, in the case of Permitted Liens in respect of the ABL Facility, are subject to the ABL Intercreditor Agreement) and the Lien created by this Pledge Agreement), however arising, and any and all Persons whomsoever (except to the extent that the Collateral Agent and the Borrower agree that the cost of such defense is excessive in relation to the benefit to the Lenders thereof).

9. Collateral Agent Appointed Attorney-in-Fact. Each Pledgor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate with respect to such Pledgor on the Termination Date or, if sooner, upon the release of such Pledgor hereunder pursuant to Section 13, the Collateral Agent as such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise to take any action and to execute any instrument, in each case solely after the occurrence and during the continuance of an Event of Default (and upon prior written notice to such Pledgor that the Collateral Agent intends to take such action), that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Pledge Agreement, including to receive, indorse and collect all instruments made payable to such Pledgor representing any dividend, distribution or principal or interest payment in respect of the Collateral or any part thereof and to give full discharge for the same.

10. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Shares, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Secured Parties for any failure to monitor or maintain any portion of the Collateral.

11. Remedies. Subject to the terms of the Intercreditor Agreements, if any Event of Default shall occur and be continuing, and after giving prior notice to the Borrower and any applicable Pledgor:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other applicable law (whether or not the UCC applies to the affected Collateral) and also may with notice to the relevant Pledgor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange broker's board or office of the Collateral Agent or any Secured Party or elsewhere, for cash, on credit or for future delivery, at such price or prices and upon such other terms as it may deem advisable irrespective of the impact of any such sales on the market price of the Collateral. The Collateral Agent shall be authorized at any such sale of Pledged Shares or Pledged Debt (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Pledged Shares or Pledged Debt so sold. Each

purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase all or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Pledgor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) Subject to the Intercreditor Agreements then in effect, the Collateral Agent shall apply the Proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in the order set forth in Section 11.12 of the Credit Agreement.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

(c) All payments received by any Pledgor in respect of the Collateral after the occurrence and during the continuance of an Event of Default, shall be received in trust for the benefit of the Collateral Agent shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

12. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Pledgor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Pledgor and without notice to or further assent by any Pledgor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Secured Cash Management Agreements, Secured Hedge Agreements and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Hedge Agreement or Secured Cash Management Agreement, the Hedge Bank or Cash Management Bank party thereto) may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered

or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Pledge Agreement or any property subject thereto. When making any demand hereunder against any Pledgor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Pledgor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Pledgor or any other Person or any release of the Borrower or any Pledgor or any other Person shall not relieve any Pledgor in respect of which a demand or collection is not made or any Pledgor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Pledgor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

13. Continuing Security Interest; Assignments Under the Credit Agreement; Release.

(a) This Pledge Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Pledgor and the successors and assigns thereof, and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the Credit Agreement until the date on which all Obligations (other than, in each case, any contingent indemnity obligations not then due, any Secured Hedge Obligations or any Secured Cash Management Obligations) shall have been satisfied by payment in full and the Commitments shall have been terminated (such date, the "Termination Date"), notwithstanding that from time to time during the term of the Credit Agreement the Credit Parties may be free from any Obligations.

(b) Any Pledgor shall automatically be released from its obligations hereunder and the Collateral of such Pledgor shall be automatically released as it relates to the Obligations upon such Pledgor ceasing to be a Credit Party in accordance with Section 13.1 of the Credit Agreement. Any such release in connection with any sale, transfer or other disposition of such Collateral permitted under the Credit Agreement to a Person that is not a Credit Party shall result in such Collateral being sold, transferred or disposed of, as applicable, free and clear of the Liens of this Pledge Agreement.

(c) The Collateral shall be automatically released from the Liens of this Pledge Agreement as it relates to the Obligations (i) to the extent provided for in Section 13.1 of the Credit Agreement and (ii) upon the effectiveness of any written consent to the release of the security interest granted in such Collateral pursuant to Section 13.1 of the Credit Agreement.

(d) In connection with any termination or release pursuant to the foregoing paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Pledgor or authorize the filing of, at such Pledgor's expense, all documents that such Pledgor shall reasonably request to evidence such termination or release subject to, if reasonably requested by the Collateral Agent, the Collateral Agent's receipt of a certification by the Borrower and the applicable Pledgor stating that such transaction is in compliance with the Credit Agreement and the other Credit Documents. Any execution and delivery of documents pursuant to this Section 13 shall be without recourse to or warranty by the Collateral Agent.

14. Reinstatement. Each Pledgor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the Proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other Person, including any Pledgor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as

if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Pledgor in respect of the amount of such payment.

15. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to any Pledgor shall be given to it in care of Holdings at Holdings' address set forth on Schedule 13.2 to the Credit Agreement.

16. Counterparts. This Pledge Agreement may be executed by one or more of the parties to this Pledge Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. Severability. Any provision of this Pledge Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

18. Integration. This Pledge Agreement together with the other Credit Documents represents the agreement of each of the Pledgors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth herein or in the other Credit Documents.

19. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Pledge Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Pledgor and the Collateral Agent in accordance with Section 13.1 of the Credit Agreement.

(b) Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 19(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion.

(c) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

20. Section Headings. The Section headings used in this Pledge Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

21. Successors and Assigns. This Pledge Agreement shall be binding upon the successors and assigns of each Pledgor and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors and permitted assigns, except that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Pledge Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the Credit Agreement.

22. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS PLEDGE AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

23. Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Pledge Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 15 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Pledgor in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 23 any special, exemplary, punitive or consequential damages.

24. GOVERNING LAW. THIS PLEDGE AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

25. Intercreditor Agreements. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Agent pursuant to this Pledge Agreement and the

exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of any Intercreditor Agreement then in effect. In the event of any conflict between the terms of any Intercreditor Agreement then in effect and the terms of this Pledge Agreement, the terms of such Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of any such Intercreditor Agreement.

26. Enforcement Expenses; Indemnification.

(a) Each Pledgor agrees to pay any and all reasonable and documented out of pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Pledgor under this Pledge Agreement, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the Credit Agreement.

(b) Each Pledgor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Pledge Agreement to the extent the Borrower would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(c) The agreements in this Section 26 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

27. Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Pledge Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Pledgor arising out of or in connection with this Pledge Agreement or any of the other Credit Documents, and the relationship between the Pledgors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Pledgors and the Lenders and any other Secured Party.

28. Additional Pledgors. Each Subsidiary of the Borrower or Holdings that is required to become a party to this Pledge Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Subsidiary Pledgor, with the same force and effect as if originally named as a Pledgor herein, for all purposes of this Pledge Agreement, upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Pledgor as a party to this Pledge Agreement shall not require the consent of any other Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Pledgor as a party to this Pledge Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Pledge Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

ACADEMY, LTD.,
as Borrower

By: Academy Managing Co., L.L.C.,
as its general partner
By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY HOLDING COMPANY, LLC,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY MANAGING CO., L.L.C.,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ASSOCIATED INVESTORS, L.L.C.,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY FINANCE CORPORATION,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY.COM, L.L.C., as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

BRAZOS SPORTS RETAIL MANAGEMENT, L.L.C.,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY ADMINISTRATIVE SERVICES, L.L.C.
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

[Signature Page for the Amended and Restated Term Loan Pledge Agreement]

MORGAN STANLEY SENIOR FUNDING, INC.,
as the Collateral Agent

By: /s/ Stephen B. King
Name: Stephen B. King
Title: Vice President

[Signature Page for the Amended and Restated Term Loan Pledge Agreement]

Exhibit 10.4

Execution Version

ABL INTERCREDITOR AGREEMENT

dated as of July 2, 2015,

among

JPMORGAN CHASE BANK, N.A.,
as ABL Agent,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Term Loan Agent,

Each ADDITIONAL DEBT AGENT from time to time party hereto,

ACADEMY, LTD.,
as the Borrower,

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings,

ASSOCIATED INVESTORS L.L.C.,
and
ACADEMY MANAGING CO., L.L.C.,
as Texas Intermediate Holdcos

and

the other Grantors from time to time party hereto

ABL INTERCREDITOR AGREEMENT, dated as of July 2, 2015 (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "***Agreement***"), among **JPMORGAN CHASE BANK, N.A.**, as agent for the ABL Secured Parties referred to herein (in such capacity, and together with its successors in such capacity, the "***Original ABL Agent***"), **MORGAN STANLEY SENIOR FUNDING, INC.**, as administrative agent and collateral agent for the Term Loan Secured Parties referred to herein (in such capacity, and together with its successors in such capacity, the "***Original Term Loan Agent***"), **NEW ACADEMY HOLDING COMPANY, LLC** ("***Holdings***"), a Delaware limited liability company, **ASSOCIATED INVESTORS L.L.C.**, a Texas limited liability company, **ACADEMY MANAGING CO., L.L.C.**, a Texas limited liability company (together with Associated Investors L.L.C., the "***Texas Intermediate Holdcos***"), **ACADEMY, LTD.**, a Texas limited partnership (the "***Borrower***"), and each of the Subsidiaries of the Borrower listed on the signature pages hereto (the "***Subsidiary Grantors***").

Reference is made to (a) the ABL Credit Agreement (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I) and (b) the Term Loan Agreement.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the ABL Agent (for itself and on behalf of the ABL Secured Parties), the Term Loan Agent (for itself and on behalf of the Term Loan Secured Parties) and each Additional Debt Agent (on behalf of the Additional Debt Secured Parties of the applicable Series), if any, and the Grantors agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Construction; Certain Defined Terms.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein or in any Annex or Exhibit of this Agreement shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, restated, amended and restated, renewed, extended, supplemented or otherwise modified from time to time, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the Subsidiaries of such Person unless express reference is made to such Subsidiaries, (iii) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections, Exhibits and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

(b) All terms used in this Agreement that are defined in Article 1, 8 or 9 of the New York UCC (whether capitalized herein or not) and not otherwise defined herein have the meanings assigned to them in Article 1, 8 or 9 of the New York UCC. If a term is defined in Article 9 of the New York UCC and another Article of the New York UCC, such term shall have the meaning assigned to it in Article 9 of the New York UCC.

(c) As used in this Agreement, the following terms have the meanings specified below:

"***ABL Agent***" means the Original ABL Agent, and, from and after the date of execution and delivery of an ABL Substitute Facility, the agent, collateral agent, trustee or other representative of the lenders or holders of the ABL Debt Obligations evidenced thereunder or governed thereby, in each case, together with its successors in such capacity.

"***ABL Credit Agreement***" means the amended and restated ABL Credit Agreement, dated as of the date hereof, among Holdings, the Texas Intermediate Holdcos, the Borrower, the ABL Agent, the lenders party thereto from time to time and the other agents named therein, and any credit agreement, loan agreement, note agreement, promissory note, indenture or any other agreement or instrument evidencing or governing the terms of any ABL Substitute Facility, in each case (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time).

"***ABL Debt Documents***" means the ABL Credit Agreement, the ABL Security Documents, the other "Credit Documents" (as defined in the ABL Credit Agreement) and all other loan documents, notes, guarantees, instruments and agreements governing or evidencing, or executed or delivered in connection with, any ABL Substitute Facility.

"***ABL Debt Obligations***" means the "Obligations" as defined in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) from time to time outstanding and, in any event, ABL Debt Obligations shall expressly include any and all interest accruing and fees, costs, expenses and charges incurred after the date of any filing by or against any Grantor of any petition or complaint initiating any Insolvency or Liquidation Proceeding, regardless of whether any ABL Secured Party's claim therefor is enforceable, allowable or allowed as a claim in the Insolvency or Liquidation Proceeding commenced by the filing of such petition or complaint.

"***ABL Facility Collateral***" means all assets and properties subject to Liens created by the ABL Security Documents to secure the ABL Debt Obligations.

"***ABL Liens***" means Liens on the ABL Facility Collateral created under the ABL Security Documents to secure the ABL Debt Obligations (including Liens on such Collateral under the security documents associated with any ABL Substitute Facility).

"***ABL Priority Collateral***" means all present and future right, title and interest of the Grantors in and to the following types of ABL Facility Collateral, whether now owned or hereafter acquired, existing or arising, and wherever located:

(a) (i) accounts (including credit card receivables) and (ii) all other rights to payment, including accounts and other rights to payment, arising from services rendered or from the sale, lease, use or other disposition of inventory, whether such rights to payment constitute payment intangibles, guarantees, supporting obligations, letter-of-credit rights or any other classification of property, or are evidenced in whole or in part by instruments, chattel paper or documents;

(b) inventory and documents relating to any inventory and indebtedness owed to the Grantors or any of their Subsidiaries that arises from cash advances to enable the obligor thereof to acquire inventory;

(c) all rights of an unpaid vendor with respect to inventory;

(d) deposit accounts, commodity accounts, securities accounts and lockboxes, including all money and certificated securities, uncertificated securities (other than Capital Stock of Subsidiaries of the Grantors), securities entitlements and investment property credited thereto or deposited therein (including all cash, marketable securities and other funds held in or on deposit in any deposit account, commodity account or securities account), and all cash and cash equivalents, including cash and cash equivalents securing reimbursement obligations in respect of letters of credit or other ABL Debt Obligations;

(e) all tax refunds (other than tax refunds relating to equipment, real estate, Intellectual Property and Capital Stock of Subsidiaries of the Grantors);

(f) instruments, chattel paper and general intangibles pertaining to the other items of property included within clauses (a), (b), (c), (d), (g) and (h) of this definition (other than any Capital Stock of Subsidiaries of the Grantors and Intellectual Property);

(g) books and records, supporting obligations, documents and related letters of credit, letter-of-credit rights, commercial tort claims or other claims and causes of action, in each case, to the extent arising out of, related to or given in exchange or settlement of any of the foregoing; and

(h) all substitutions, replacements, accessions, products and proceeds (including, without limitation, insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of all or any of the foregoing;

provided that in no case shall ABL Priority Collateral include any identifiable cash proceeds from a sale, lease, conveyance or other disposition of any CF Debt Priority Collateral that has been deposited in any Collateral Proceeds Account in accordance with the terms of the CF Debt Documents, until such time as such cash proceeds are released therefrom in accordance with the terms of the CF Debt Documents.

"***ABL Secured Parties***" means, at any time, the "Secured Parties" as defined in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility).

"***ABL Security Documents***" means each agreement listed in Part A of Exhibit C hereto, and any other security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes or any other documents or instruments now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor to secure any ABL Debt Obligations (including any such agreements, assignments, mortgages, deeds of trust and other documents or instruments associated with any ABL Substitute Facility).

"***ABL Substitute Facility***" means any asset-based loan facility with respect to which the requirements contained in Section 2.10(a) of this Agreement have been satisfied and the proceeds or commitments of which are used, among other things, to Replace the ABL Credit Agreement then in existence; *provided* that any ABL Lien securing such ABL Substitute Facility shall be subject to the terms of this Agreement for all purposes (including the lien priorities as set forth herein as of the date hereof).

"***Account Agreement***" means any lockbox account agreement, pledged account agreement, blocked account agreement, deposit account control agreement, securities account control agreement, or any similar deposit or securities account agreements among any CF Debt Agent and/or the ABL Agent, one or more Grantors and the relevant financial institution depository or securities intermediary.

"***Additional Debt***" means any Additional Pari First Lien CF Debt and any Pari Second Lien CF Debt.

"***Additional Debt Agent***" means, with respect to any Series of Additional Debt Obligations, the person or entity that, pursuant to the Additional Debt Documents relating to such Additional Debt Obligations, holds Liens on the Collateral on behalf of the Additional Debt Secured Parties thereunder.

"***Additional Debt Collateral***" means, with respect to any Series of Additional Debt Obligations, all assets and properties subject to Liens created by the Additional Debt Security Documents to secure such Additional Debt Obligations.

"***Additional Debt Documents***" means each Additional Debt Facility and the Additional Debt Security Documents.

"***Additional Debt Facility***" means one or more debt facilities, commercial paper facilities or indentures for which the requirements of Section 2.10(b) of this Agreement have been satisfied, in each case with banks, other lenders or trustees, providing for revolving credit loans, term loans, letters of credit, notes or other borrowings, in each case, as amended, restated, modified, renewed, refunded, restated, restructured, increased, supplemented, replaced or refinanced in whole or in part from time to time in accordance with and permitted by each applicable Secured Document; *provided* that the ABL Credit Agreement and the Term Loan Agreement shall not constitute an Additional Debt Facility at any time.

"***Additional Debt Lien***" means a Lien granted pursuant to any Additional Debt Security Document to an Additional Debt Agent or Additional Debt Secured Party at any time upon any property of any Grantor that is CF Debt Collateral to secure a Series of Additional Debt Obligations.

"***Additional Debt Obligations***" means, with respect to any Grantor, any obligations of such Grantor owed to any Additional Debt Secured Party under the Additional Debt Documents.

"***Additional Debt Secured Parties***" means, with respect to any Series of Additional Debt Obligations, at any time, the Additional Debt Agent and the other holders from time to time of Additional Debt Obligations of such Series.

"***Additional Debt Security Documents***" means the Additional Debt Facility (insofar as the same grants a Lien on any collateral) and all collateral trust agreements, security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes and any other documents or instruments now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor to secure any Additional Debt Obligations of the Grantors owed thereunder to any Additional Debt Secured Parties.

"***Additional Pari First Lien CF Debt***" means any secured debt issued pursuant to an Additional Debt Facility ranking equal in right of security with Term Loan Debt and permitted under the ABL Credit Agreement and the Term Loan Agreement.

"***Agreement***" has the meaning assigned to that term in the preamble hereto.

"***Bankruptcy Code***" means Title 11 of the United States Code, or any similar foreign, federal or state law for relief of debtors as now or hereinafter in effect.

"***Bankruptcy Law***" means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, suspension of payments, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Borrower***" has the meaning assigned to that term in the preamble hereto.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

"***Capital Stock***" means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"***Cash Management Agreement***" has the meaning assigned to that term in the ABL
Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility).

"***CF Debt***" means the Term Loan Debt and any Additional Debt.

"***CF Debt Agents***" means the Term Loan Agent and each Additional Debt Agent.

"***CF Debt Collateral***" means the Term Loan Collateral and any Additional Debt Collateral.

"***CF Debt Documents***" means the Term Loan Documents and any Additional Debt Documents.

"***CF Debt Facility***" means the Term Loans (as defined in the Term Loan Agreement) and any Additional Debt Facility.

"***CF Debt Lien***" means each Term Loan Lien and each Additional Debt Lien.

"***CF Debt Obligations***" means the Term Loan Debt and any Additional Debt Obligations.

"CF Debt Priority Collateral" means all present and future right, title and interest of the Grantors, whether now owned or hereafter acquired, existing or arising, and wherever located, in all: (a) Capital Stock of Subsidiaries held by the Grantors; (b) equipment; (c) Real Estate Assets; (d) Intellectual Property; (e) all general intangibles and investment property that do not constitute ABL Priority Collateral; (f) documents of title related to equipment; (g) books and records, supporting obligations and related letters of credit, commercial tort claims or other claims and causes of action, in each case, to the extent related primarily to the foregoing; (h) substitutions, replacements, accessions, products and proceeds (including, without limitation, insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of any or all of the foregoing; and (i) all of the other assets and property of any Grantor, whether real, personal or mixed (other than ABL Priority Collateral) included in the CF Debt Collateral.

"***CF Debt Secured Parties***" means the Term Loan Secured Parties and any Additional Debt Secured Parties.

"***CF Debt Security Documents***" means the Term Loan Security Documents and any Additional Debt Security Documents.

"***Collateral***" means all of the assets and property of any Grantor, whether real, personal or mixed, constituting the ABL Facility Collateral and the CF Debt Collateral.

"***Collateral Proceeds Accounts***" means one or more deposit accounts or securities accounts established or maintained by any Grantor or a CF Debt Agent or its agent for the sole purpose of holding the proceeds of any sale, lease, conveyance or other disposition of any CF Debt Priority Collateral that are required to be held in trust in such account or accounts pursuant to the terms of any CF Debt Document.

"***Controlling CF Debt Agent***" means (i) for so long as there is only one Series of CF Debt, the CF Debt Agent for such Series, (ii) at any time when there is more than one Series of Pari First Lien CF Debt, the "Controlling Collateral Agent," as such term is defined in the First Lien Intercreditor Agreement, as designated by such CF Debt Agent in a notice to the ABL Agent, (iii) at any time there is only one Series of Pari First Lien CF Debt, the CF Debt Agent for such Series, and (iv) at any time when CF Debt consists solely of two or more Series of Pari Second Lien CF Debt, the CF Debt Agent designated by all then existing CF Debt Agents in a notice to the ABL Agent.

"***Deposit Accounts***" has the meaning assigned to that term in Section 3.02(a).

"***DIP Financing***" has the meaning assigned to that term in Section 2.06(b).

"***DIP Financing Liens***" has the meaning assigned to that term in Section 2.06(b).

"***Discharge of Senior Secured Debt Obligations***" means, with respect to any particular Senior Secured Debt Obligations, the occurrence of all of the following:

(a) termination or expiration of all commitments to extend credit (or, in the case of Secured Cash Management Obligations, Secured Hedge Obligations or similar Senior Secured Debt Obligations, termination of arrangements giving rise to such debt) that would constitute such Senior Secured Debt Obligations;

(b) payment in full in cash of the principal of, interest and premium (if any) on, fees and other charges comprising such Senior Secured Debt Obligations (other than any undrawn letters of credit) (including, in any event, all such interest, fees, expenses and other charges regardless of whether such interest, fees, expenses and other charges are allowed or recoverable in any Insolvency or Liquidation Proceeding under Section 506 of the Bankruptcy Code or otherwise);

(c) discharge or cash collateralization (at the lower of (i) 103% of the aggregate un-drawn amount, and (ii) the percentage of the aggregate undrawn amount required for release of Liens under the terms of the applicable Senior Documents) of all outstanding letters of credit constituting such Senior Secured Debt Obligations; and

(d) payment in full in cash of all other such Senior Secured Debt Obligations that are outstanding and unpaid at the time the principal of and interest and premium on all such Senior Secured Debt Obligations are paid in full in cash (other than any obligations for taxes, costs, in-

demnification, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at such time); *provided* that the Discharge of Senior Secured Debt Obligations shall not be deemed to have occurred in connection with a Replacement as contemplated by Section 2.10(a).

"***Enforcement Notice***" means a written notice delivered, at a time when an Event of Default has occurred and is continuing, by either the ABL Agent or the Controlling CF Debt Agent to the other specifying the relevant Event of Default.

"***Event of Default***" means an "Event of Default" under and as defined in the ABL Credit Agreement, the Term Loan Agreement or any Additional Debt Document, as the context may require.

"***First Lien Intercreditor Agreement***" means the First Lien Intercreditor Agreement, substantially in the form of Exhibit I-1 to the Term Loan Agreement.

"***Grantor***" means the Initial Grantors and each other direct or indirect Subsidiary of Holdings that shall have granted any Lien in favor of the ABL Agent or any CF Debt Agent on any of its assets or properties to secure both (i) the ABL Debt Obligations and (ii) any CF Debt Obligations.

"***Hedge Agreement***" has the meaning assigned to that term in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility).

"***Holdings***" has the meaning assigned to that term in the preamble hereto.

"***Initial Grantors***" means, collectively, the Subsidiary Grantors party to this Agreement as of the date hereof, the Borrower, the Texas Intermediate Holdcos and Holdings.

"***Insolvency or Liquidation Proceeding***" means:

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

(b) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to any Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency, in each case to the extent not permitted under the Senior Documents;

(c) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to any Grantor or any of its assets; or

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

"***Intellectual Property***" has the meaning assigned to such term in the Term Loan Security Agreement (as defined in Exhibit C).

"***Intercreditor Agreement Joinder***" means an agreement substantially in the form of Exhibit A.

"***Junior Documents***" means (a) in respect of the CF Debt Priority Collateral, the ABL Debt Documents and (b) in respect of the ABL Priority Collateral, the CF Debt Documents.

"***Junior Liens***" means (a) in respect of the ABL Priority Collateral, the CF Debt Liens on such Collateral, and (b) in respect of the CF Debt Priority Collateral, the ABL Liens on such Collateral.

"***Junior Representative***" means (a) with respect to the CF Debt Priority Collateral, the ABL Agent and (b) with respect to the ABL Priority Collateral, each CF Debt Agent.

"***Junior Secured Obligations***" means (a) with respect to the CF Debt Obligations (to the extent such Obligations are secured, or intended to be secured, by the CF Debt Priority Collateral), the ABL Debt Obligations and (b) with respect to ABL Debt Obligations (to the extent such Obligations are secured, or intended to be secured, by the ABL Priority Collateral), the CF Debt Obligations.

"***Junior Secured Obligations Collateral***" means the Collateral in respect of which any Junior Representative (on behalf of itself and the applicable Junior Secured Obligations Secured Parties) holds a Junior Lien.

"***Junior Secured Obligations Secured Parties***" means (a) with respect to the CF Debt Priority Collateral, the ABL Secured Parties and (b) with respect to the ABL Priority Collateral, the CF Debt Secured Parties.

"***Junior Secured Obligations Security Documents***" means (a) with respect to the ABL Priority Collateral, the CF Debt Security Documents, and (b) with respect to the CF Debt Priority Collateral, the ABL Security Documents.

"***Lien***" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, trust (deemed or statutory) or security interest in, on or of such asset, whether or not filed, recorded or otherwise perfected under applicable law, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities; *provided* that in no event shall an operating lease be deemed to be a Lien.

"***Lien Sharing and Priority Confirmation Joinder***" means an agreement substantially in the form of Exhibit B.

"***New York UCC***" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"***Obligations***" means, with respect to any Secured Parties, any principal, interest, penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities (including all interest, fees and expenses accruing after the commencement of any Insolvency or Liquidation Proceeding, even if such interest, fees and expenses are not enforceable, allowable or allowed as a claim in such proceeding) under the Secured Documents of such Secured Party.

"***Officer***" means the chief executive officer, the president, any vice president, the chief operating officer or any chief financial officer, treasurer or controller of such Person and any other officer

or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement. Any document delivered hereunder that is signed by an Officer of a Grantor shall be conclusively presented to have been authorized by all necessary corporate, partnership and/or other action on the part of such Grantor and such Officer shall be conclusively presumed to have acted on behalf of such Grantor.

"***Officer's Certificate***" means a certificate signed on behalf of applicable Grantor by an Officer of such Grantor, who must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of such Grantor.

"***Original ABL Agent***" has the meaning assigned to that term in the preamble hereto.

"***Original Term Loan Agent***" has the meaning assigned to that term in the preamble hereto.

"***Pari First Lien CF Debt***" means the Term Loan Debt and the Additional Pari First Lien CF Debt.

"***Pari Second Lien CF Debt***" means any secured debt that constitutes (i) "Permitted Other Indebtedness" (as defined in the Term Loan Agreement) that is secured by a Lien ranking junior in right of security to the Term Loan Debt and (ii) Additional Pari First Lien CF Debt issued pursuant to an Additional Debt Facility and permitted under the ABL Credit Agreement and the Term Loan Agreement.

"***Permitted Subordination***" has the meaning assigned to that term in Section 2.01(d).

"***Person***" means any individual, sole proprietorship, partnership, limited liability company, joint venture, joint-stock company, trust, unincorporated organization, association, corporation, government or any agency or political subdivision thereof or any other entity.

"***Plan of Reorganization***" means any plan of reorganization, plan of liquidation, plan of arrangement, agreement for composition, or other type of dispositive restructuring plan proposed in or in connection with any Insolvency or Liquidation Proceeding.

"***Real Estate Asset***" means, at any time of determination, any fee interest then owned by any Grantor in any real property.

"***Recovery***" has the meaning assigned to that term in Section 2.06(j).

"***Replaces***" means, (a) in respect of any agreement with reference to the ABL Credit Agreement or the ABL Debt Obligations or any ABL Substitute Facility, that such agreement refinances, replaces, exchanges or refunds the ABL Credit Agreement or such ABL Substitute Facility in whole (in a transaction that is in compliance with Section 2.10(a)) and that all commitments thereunder are terminated; and (b) in respect of any indebtedness with reference to the CF Debt Documents or the CF Debt Facility, that such indebtedness refinances, replaces, exchanges or refunds the CF Debt Documents or such CF Debt Facility (i) in whole (in a transaction that is in compliance with Section 2.10(a)) and that all commitments thereunder are terminated, or, (ii) to the extent permitted by the terms of the CF Debt Documents or such CF Debt Facility, in part. "***Replace***," "***Replaced***" and "***Replacement***" shall have correlative meanings.

"***Representative***" means (a) in the case of any Series of CF Debt Obligations, the CF Debt Agent for such Series, and (b) in the case of any ABL Debt Obligations, the ABL Agent.

"***Second Lien Intercreditor Agreement***" means the Second Lien Intercreditor Agreement, substantially in the form of Exhibit I-2 to the Term Loan Agreement.

"***Secured Cash Management Agreement***" has the meaning assigned to that term in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility).

"***Secured Cash Management Obligations***" has the meaning assigned to that term in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility), as applicable, in each case in respect of a Cash Management Agreement that has been designated in writing by the Borrower to each then-applicable Senior Representative as a Secured Cash Management Agreement. Any such designation by the Borrower shall indicate whether the Secured Cash Management Agreement relates to CF Debt Obligations or ABL Debt Obligations.

"***Secured Debt Obligations***" means the CF Debt Obligations (including the Obligations incurred under each Series of CF Debt) and the ABL Debt Obligations.

"***Secured Documents***" means the CF Debt Documents and the ABL Debt Documents.

"***Secured Hedge Agreement***" has the meaning assigned to that term in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility).

"***Secured Hedge Obligations***" has the meaning assigned to that term in the ABL Credit Agreement (or any similar term of any ABL Substitute Facility) and the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility), as applicable, in each case in respect of a Hedge Agreement that has been designated in writing by the Borrower to each then-applicable Senior Representative as a Secured Hedge Agreement. Any such designation by the Borrower shall indicate whether the Secured Hedge Agreement relates to CF Debt Obligations or ABL Debt Obligations.

"***Secured Parties***" means the CF Debt Secured Parties and the ABL Secured Parties.

"***Security Documents***" means the CF Debt Security Documents and the ABL Security Documents.

"***Senior Documents***" means (a) in respect of the CF Debt Priority Collateral, the CF Debt Documents, and (b) in respect of the ABL Priority Collateral, the ABL Debt Documents.

"***Senior Liens***" means (a) in respect of the ABL Priority Collateral, the ABL Liens on such Collateral, and (b) in respect of the CF Debt Priority Collateral, the CF Debt Liens on such Collateral.

"***Senior Representative***" means (a) with respect to the CF Debt Priority Collateral, the Controlling CF Debt Agent and (b) with respect to the ABL Priority Collateral, the ABL Agent.

"***Senior Secured Debt Obligations***" means (a) with respect to the ABL Debt Obligations (to the extent such obligations are secured, or are intended to be secured, by the CF Debt Priority Collateral), the CF Debt Obligations, and (b) with respect to any CF Debt Obligations (to the extent such obligations are secured, or are intended to be secured, by the ABL Priority Collateral), the ABL Debt Obligations.

"***Senior Secured Obligations Collateral***" means the Collateral in respect of which any Senior Secured Obligations Secured Parties (or a Representative on their behalf) hold a Senior Lien.

"***Senior Secured Obligations Secured Parties***" means (a) with respect to the CF Debt Priority Collateral, the CF Debt Secured Parties, and (b) with respect to the ABL Priority Collateral, the ABL Secured Parties.

"***Senior Secured Obligations Security Documents***" means (a) with respect to the ABL Priority Collateral, the ABL Security Documents, and (b) with respect to the CF Debt Priority Collateral, the CF Debt Security Documents.

"***Series***" means each of (a) the Term Loan Debt and (b) each class or issuance of Additional Debt Obligations incurred under a single Additional Debt Facility. "***Series***" when used with respect to any agent, person, document, lien or other item with respect to any CF Debt Obligations shall have a correlative meaning.

"***Subsidiary***" means, with respect to any specified Person (a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person (or a combination thereof); and (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a subsidiary of such Person or (ii) the only general partners of which are such Person or one or more subsidiaries of such Person (or any combination thereof).

"***Subsidiary Grantors***" has the meaning assigned to that term in the preamble hereto.

"***Term Loan Agent***" means the Original Term Loan Agent, and, from and after the date of execution and delivery of a Term Loan Substitute Facility, the agent, collateral agent, trustee or other representative of the lenders or other holders of the indebtedness and other obligations evidenced there-under or governed thereby, in each case, together with its successors in such capacity.

"***Term Loan Agreement***" means the first amended and restated credit agreement, dated as of the date hereof, among the Borrower, the other Grantors party thereto from time to time, the lenders party thereto from time to time, the other agents named therein, and the Term Loan Agent, and any credit agreement, loan agreement, note agreement, promissory note, indenture or any other agreement or instrument evidencing or governing the terms of any Term Loan Substitute Facility, in each case (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time).

"***Term Loan Collateral***" means all assets and properties subject to Liens created by the Term Loan Security Documents to secure the Term Loan Debt.

"***Term Loan Debt***" means all "Obligations" as defined in the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility). Term Loan Debt shall expressly include any and all interest accruing and fees, costs, expenses and charges incurred after the date of any filing by or against any Grantor of any petition or complaint initiating any Insolvency or Liquidation Proceeding, regardless of whether any Term Loan Secured Party's claim therefor is enforceable, allowable or allowed as a claim in the Insolvency or Liquidation Proceeding commenced by the filing of such petition or complaint.

"***Term Loan Documents***" means the Term Loan Agreement, the Term Loan Security Documents and all other loan documents, notes, guarantees, instruments and agreements governing or evidencing any Term Loan Substitute Facility.

"***Term Loan Lien***" means a Lien granted by the Term Loan Security Documents to the Term Loan Agent at any time upon any property of any other Grantor to secure Term Loan Debt.

"***Term Loan Secured Parties***" means, at any time, the "Secured Parties" as defined in the Term Loan Agreement (or any similar term of any Term Loan Substitute Facility).

"***Term Loan Security Documents***" means each agreement listed in Part B of Exhibit C hereto and any other security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes or any other documents or instruments now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor or any of its Subsidiaries to secure any Term Loan Debt (including any such agreements, assignments, mortgages, deeds of trust and other documents or instruments associated with any Term Loan Substitute Facility).

"***Term Loan Substitute Facility***" means any facility with respect to which the requirements contained in Section 2.10(a) of this Agreement have been satisfied, the proceeds of which are used to, among other things, Replace the Term Loan Agreement. For the avoidance of doubt, no Term Loan Substitute Facility shall be required to be evidenced by notes or other instruments and may be a facility evidenced or governed by a credit agreement, loan agreement, note agreement, promissory note, indenture or any other agreement or instrument; *provided* that any such Term Loan Substitute Facility shall be subject to the terms of this Agreement for all purposes (including the lien priority as set forth herein as of the date hereof) as the other Liens securing the Term Loan Debt are subject to under this Agreement.

"***Texas Intermediate Holdcos***" has the meaning assigned to that term in the preamble hereto.

ARTICLE II

Subordination of Junior Liens; Certain Agreements

SECTION 2.01. Subordination of Junior Liens.

(a) The grant of the ABL Liens pursuant to the ABL Security Documents and each grant of CF Debt Liens pursuant to the CF Debt Security Documents of any Series create separate and distinct Liens on the Collateral.

(b) All Junior Liens in respect of any Collateral are expressly subordinated and made junior in right, priority, operation and effect to any and all Senior Liens in respect of such Collateral, notwithstanding anything contained in this Agreement, the Term Loan Documents, the ABL Debt Documents, any Additional Debt Documents, or any other agreement or instrument or operation of law to the contrary, and irrespective of the time, order or method of creation, attachment or perfection of such Junior Liens and Senior Liens or any failure, defect or deficiency or alleged failure, defect or deficiency in any of the foregoing.

(c) It is acknowledged that (i) the aggregate amount of the Senior Secured Debt Obligations may be increased from time to time pursuant to the terms of the Senior Documents, (ii) a portion

of the Senior Secured Debt Obligations consists or may consist of indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and (iii) the Senior Secured Debt Obligations may be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the subordination of the Junior Liens hereunder or the provisions of this Agreement defining the relative rights of the ABL Secured Parties and the CF Debt Secured Parties. The lien priorities provided for herein shall not be altered or otherwise affected by any amendment, modification, supplement, extension, increase, renewal, restatement or Replacement of either the Junior Secured Obligations (or any part thereof) or the Senior Secured Debt Obligations (or any part thereof).

(d) If at any time the ABL Agent shall make a Permitted Subordination (as defined below) with respect to any ABL Priority Collateral or any CF Debt Agent shall make a Permitted Subordination with respect to any CF Debt Priority Collateral, in each case, to or in favor of any Person, the priority of such Representative's Liens vis-a-vis the Liens therein of the other Representative shall not be affected thereby and the subordinating Representative's Liens shall continue to be senior in priority to the other Representative's Liens in the affected Collateral as and to the extent provided in this Article II. As used herein, the term "***Permitted Subordination***" shall mean a voluntary subordination by the ABL Agent, which is permitted under the applicable Senior Documents, of its Liens with respect to any or all ABL Priority Collateral, or by any CF Debt Agent of its Liens with respect to any or all CF Debt Priority Collateral, in favor of depository banks, securities or commodities intermediaries, landlords, mortgagees, custom brokers, freight forwarders, carriers, warehousemen, factors, and other Persons who provide goods or services to a Grantor in the ordinary course of business.

SECTION 2.02. No Action with Respect to Junior Secured Obligations Collateral Subject to Senior Liens. Subject to the last two sentences of this Section 2.02, no Junior Representative or other Junior Secured Obligations Secured Party shall commence or instruct any Junior Representative to commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interest in or realize upon, or take any other action available to it in respect of, any Junior Secured Obligations Collateral under any Junior Secured Obligations Security Document, applicable law or otherwise until the associated Discharge of Senior Secured Debt Obligations (including, without limitation, exercising any rights under any deposit account control agreement in respect of Collateral constituting Junior Secured Obligations Collateral), it being agreed that only the Senior Representative or any Person authorized by the Senior Representative, acting in accordance with the applicable Senior Secured Obligations Security Documents, shall be entitled to take any such actions or exercise any such remedies prior to the associated Discharge of Senior Secured Debt Obligations; *provided*, *however*, that the Junior Representative (subject in the case of a CF Debt Agent to the terms of the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement, in each case, if in effect) may exercise any or all such rights with respect to any Junior Secured Obligations Collateral (but not rights the exercise of which is otherwise prohibited by this Agreement including Section 2.06 hereof) after a period of 180 consecutive days has elapsed from the date of delivery of written notice from a Junior Representative to each Senior Representative stating that (i) an Event of Default (as defined under the applicable Junior Documents) has occurred and is continuing thereunder, (ii) the Junior Secured Obligations under such Junior Documents are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of such Junior Documents, and (iii) such Junior Representative intends to exercise its rights to take such actions; *provided*, *further*, that such Junior Representative shall not be entitled to exercise any such rights with respect to any Junior Secured Obligations Collateral in the event any Senior Representative or Senior Secured Obligations Secured Parties are then diligently pursuing their rights and remedies with respect to all

or a material portion of the Junior Secured Obligations Collateral or diligently attempting to vacate any stay or prohibition against such exercise. Notwithstanding the foregoing, any Junior Representative may, subject to Section 2.05, take all such actions as it shall deem necessary to (i) perfect or continue the perfection of its Junior Liens or (ii) create, preserve or protect (but not enforce) the Junior Liens on any Collateral. In addition, any Junior Representative may, with respect to any Junior Secured Obligations:

(a) file a claim or proof of claim or statement of interest with respect to such Obligations; *provided* that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(b) file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Secured Obligations Secured Parties, including any claims secured by the Junior Secured Obligations Collateral, in each case in accordance with the terms of this Agreement;

(c) in accordance with and subject to Section 2.06 and Section 2.13, file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding, in accordance with applicable law (including the Bankruptcy Laws of any applicable jurisdiction); and

(d) vote on any Plan of Reorganization, file any proof of claim, make other filings and make any arguments and motions (including in support of or opposition to, as applicable, the confirmation or approval of any Plan of Reorganization) that are, in each case, in accordance with the terms of this Agreement (including Section 2.06(l)).

SECTION 2.03. No Duties of Senior Representative. Each Junior Secured Obligations Secured Party acknowledges and agrees that neither the Senior Representative nor any other Senior Secured Obligations Secured Party shall have any duties or other obligations to such Junior Secured Obligations Secured Party with respect to any Senior Secured Obligations Collateral, other than to transfer to the Junior Representative (and in the case there is more than one Junior Representative of CF Debt, to the Controlling CF Debt Agent) any remaining Collateral that constitutes Junior Secured Obligations Collateral and any proceeds of the sale or other disposition of any such Collateral that constitutes Junior Secured Obligations Collateral remaining in its possession following the associated Discharge of Senior Secured Debt Obligations, in each case without representation or warranty on the part of the Senior Representative or any Senior Secured Obligations Secured Party. In furtherance of the foregoing, each Junior Secured Obligations Secured Party acknowledges and agrees that until the associated Discharge of Senior Secured Debt Obligations secured by any Collateral on which such Junior Secured Obligations Secured Party holds a Junior Lien, the Senior Representative or any Person authorized by the Senior Representative shall be entitled, for the benefit of the holders of such Senior Secured Debt Obligations, to sell, transfer or otherwise dispose of or deal with such Collateral, as provided herein and in the Senior Secured Obligations Security Documents, without regard to any Junior Lien or any rights to which the holders of the Junior Secured Obligations would otherwise be entitled as a result of such Junior Lien. Without limiting the foregoing, each Junior Secured Obligations Secured Party agrees that neither the Senior Representative nor any other Senior Secured Obligations Secured Party shall have any duty or obligation first to marshal or realize upon any type of Senior Secured Obligations Collateral (or any other collateral securing the Senior Secured Debt Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Collateral (or any other collateral securing the Senior Secured Debt Obligations), in any manner that would maximize the return to the Junior Secured Obligations Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of pro-

ceeds actually received by the Junior Secured Obligations Secured Parties from such realization, sale, disposition or liquidation. Following the associated Discharge of Senior Secured Debt Obligations, the Junior Secured Obligations Secured Parties may, subject to any other agreements binding on such Junior Secured Obligations Secured Parties, assert their rights under the New York UCC or otherwise to any proceeds remaining following a sale, disposition or other liquidation of Collateral by, or on behalf of the Junior Secured Obligations Secured Parties. Each of the Junior Secured Obligations Secured Parties waives any claim such Junior Secured Obligations Secured Party may now or hereafter have against the Senior Representative or any other Senior Secured Obligations Secured Party (or their representatives) arising out of any actions which the Senior Representative or the Senior Secured Obligations Secured Parties take or omit to take (including actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral, and actions with respect to the collection of any claim for all or any part of the Senior Secured Debt Obligations from any account debtor, guarantor or any other party) in accordance with this Agreement and the Senior Secured Obligations Security Documents or any other agreement related thereto or to the collection of the Senior Secured Debt Obligations or the valuation, use, protection or release of any security for the Senior Secured Debt Obligations.

SECTION 2.04. No Interference; Payment Over; Reinstatement.

(a) Each Junior Secured Obligations Secured Party agrees that (i) it will not take or cause to be taken any action the purpose, or effect of which is, or could be, to make any Junior Lien rank equal with, or to give such Junior Secured Obligations Secured Party any preference or priority relative to, any Senior Lien with respect to the Collateral subject to such Senior Lien and Junior Lien or any part thereof, (ii) it will not challenge or question in any proceeding the validity or enforceability of any Senior Secured Debt Obligations or Senior Secured Obligations Security Document, or the validity, attachment, perfection or priority of any Senior Lien, or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement, (iii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Collateral subject to any Junior Lien by any Senior Secured Obligations Secured Parties secured by Senior Liens on such Collateral or any Senior Representative acting on their behalf, (iv) it shall have no right to (A) direct any Senior Representative or any holder of Senior Secured Debt Obligations to exercise any right, remedy or power with respect to the Collateral subject to any Junior Lien or (B) consent to the exercise by any Senior Representative or any other Senior Secured Obligations Secured Party of any right, remedy or power with respect to the Collateral subject to any Junior Lien, (v) it will not institute any suit or assert in any suit or Insolvency or Liquidation Proceeding any claim against any Senior Representative or other Senior Secured Obligations Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to, and neither any Senior Representative nor any other Senior Secured Obligations Secured Party shall be liable for, any action taken or omitted to be taken by such Senior Representative or other Senior Secured Obligations Secured Party with respect to any Collateral securing such Senior Secured Debt Obligations that is subject to any Junior Lien, (vi) it will not seek, and hereby waives any right, to have any Senior Secured Obligations Collateral subject to any Junior Lien or any part thereof marshaled upon any foreclosure or other disposition of such Collateral and (vii) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement.

(b) In connection with any enforcement action with respect to the Senior Secured Obligations Collateral or any Insolvency or Liquidation Proceeding with respect to any Grantor, all proceeds of Senior Secured Obligations Collateral will first be applied to the repayment in full of all outstanding Senior Secured Debt Obligations before being applied to any outstanding Junior Secured Obliga-

tions. If any Junior Secured Obligations Secured Party receives any proceeds of Senior Secured Obligations Collateral in contravention of the foregoing, such proceeds will be turned over to the applicable Senior Representative. Each Junior Representative and each other Junior Secured Obligations Secured Party hereby agrees that if it shall obtain possession of any Senior Secured Obligations Collateral or shall realize any proceeds or payment in respect of any such Collateral, pursuant to any Junior Secured Obligations Security Document or by the exercise of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies, at any time prior to the associated Discharge of Senior Secured Debt Obligations secured, or intended to be secured, by such Collateral, then it shall hold such Collateral, proceeds or payment in trust for the applicable Senior Secured Obligations Secured Parties and transfer such Collateral, proceeds or payment, as the case may be, to the Senior Representative reasonably promptly after obtaining actual knowledge or notice from the Senior Secured Obligations Secured Parties that it has possession of such Senior Secured Obligations Collateral or proceeds or payments in respect thereof. Each Junior Secured Obligations Secured Party agrees that if, at any time, it obtains actual knowledge or receives notice that all or part of any payment with respect to any Senior Secured Debt Obligations previously made shall be rescinded for any reason whatsoever, such Junior Secured Obligations Secured Party shall promptly pay over to the Senior Representative any payment received by it and then in its possession or under its control in respect of any Collateral subject to any Senior Lien securing such Senior Secured Debt Obligations and shall promptly turn any Collateral subject to any such Senior Lien then held by it over to the Senior Representative, and the provisions set forth in this Agreement shall be reinstated as if such payment had not been made, until the Discharge of Senior Secured Debt Obligations in respect of such Senior Secured Debt Obligations. All Junior Liens will remain attached to and enforceable against all proceeds so held or remitted (subject to the relative priorities set forth in this Agreement). Anything contained herein to the contrary notwithstanding, this Section 2.04(b) shall not apply to any proceeds of Senior Secured Obligations Collateral realized in a transaction not prohibited by the Senior Documents and as to which the possession or receipt thereof by a Junior Representative or other Junior Secured Obligations Secured Party is otherwise permitted by the Senior Documents.

SECTION 2.05. Release of Liens; Automatic Release of Junior Liens.

(a) Each Junior Representative and each other Junior Secured Obligations Secured Party agree that in the event of a sale, transfer or other disposition of Senior Secured Obligations Collateral subject to any Junior Lien (regardless of whether or not an Event of Default has occurred and is continuing under the Junior Documents at the time of such sale, transfer or other disposition), such Junior Lien on such Collateral shall terminate and be released automatically and without further action if the applicable Senior Liens on such Collateral are released and if such sale, transfer or other disposition either (A) is then not prohibited by the Junior Documents (either pursuant to the terms of the Junior Documents or pursuant to a consent issued thereunder) or (B) occurs in connection with the foreclosure upon or other exercise of rights and remedies with respect to such Senior Secured Obligations Collateral (including, if the Senior Secured Obligations Collateral is ABL Priority Collateral, in connection with any liquidation or foreclosure sale of ABL Facility Collateral consented to by the ABL Agent); *provided* that such Junior Lien shall remain in place with respect to any proceeds of a sale, transfer or other disposition under this clause (a) that remain after the associated Discharge of Senior Secured Debt Obligations.

(b) The ABL Agent and each CF Debt Agent agrees that, with respect to the release of any Collateral, if the ABL Agent or CF Debt Agent, as applicable, at any time receives:

(i) an Officer's Certificate from the relevant Grantor stating that (A) the signing Officer has read Article II of this Agreement and understands the provisions and the definitions relating hereto, (B) such Officer has made such examination or investigation as is necessary to ena-

ble such Persons to express an informed opinion as to whether or not the conditions precedent in this Agreement and all other Secured Documents, if any, relating to the release of such Collateral have been complied with and (C) in the opinion of such Officer, such conditions precedent, if any, have been complied with; and

(ii) the proposed instrument or instruments releasing such Lien as to such property in recordable form, if applicable;

then the ABL Agent or each CF Debt Agent, as applicable, will execute (with such acknowledgements and/or notarizations as are required) and deliver such release to the applicable Grantor on or before the later of (x) the date specified in such request for such release and (y) the fifth Business Day (or such shorter period as shall be acceptable to the Representatives) after the date of receipt of the items required by this Section 2.05(b) by the applicable Representative.

(c) Each Junior Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such releases and other instruments as shall reasonably be requested by the Senior Representative to evidence and confirm any release of Junior Secured Obligations Collateral provided for in this Section 2.05. Each Junior Representative hereby appoints the Senior Representative and any officer or duly authorized person of the Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Junior Representative and in the name of the Junior Representative or in the Senior Representative's own name, from time to time, in the Senior Representative's sole discretion, for the purposes of carrying out the terms of this paragraph, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this paragraph, including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

SECTION 2.06. Certain Agreements with Respect to Insolvency or Liquidation Pro-ceedings, Etc.

(a) This Agreement shall continue in full force and effect, notwithstanding the commencement of any Insolvency or Liquidation Proceeding by or against Holdings, the Texas Intermediate Holdcos, the Borrower, any other Grantor or any of Holdings' other Subsidiaries. Without limiting the generality of the foregoing, the provisions of this Agreement are intended to be and shall be enforceable as a "subordination agreement" under Section 510(a) of the Bankruptcy Code. All references to the Borrower or any other Grantor shall include the Borrower or any other Grantor as debtor and debtor-in-possession and any receiver or trustee for such person in any Insolvency or Liquidation Proceeding.

(b) If any Grantor shall become subject to a case under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing (a "***DIP Financing***") to be provided by one or more lenders under Section 364 of the Bankruptcy Code or the use of cash collateral under Section 363 of the Bankruptcy Code, each Junior Secured Obligations Secured Party agrees that it will raise no objection, and will waive any claim such Person may now or hereafter have, to object to any such financing or to the Liens on the Senior Secured Obligations Collateral securing the same ("***DIP Financing Liens***"), or to any use of cash collateral that constitutes Senior Secured Obligations Collateral or to any grant of administrative expense priority under Section 364 of the Bankruptcy Code, unless (i) the Senior Secured Obligations Secured Parties, or Senior Representative, shall then oppose or object to such DIP Financing or such DIP Financing Liens or such use of cash collateral, (ii) such DIP Financing Liens are neither senior to, nor rank equal with, the Senior Liens of such applicable Senior Secured Obligations Secured Parties upon any property of the estate in such Insolvency or Liquidation Proceeding or (iii) such DIP Financing Liens would be senior to, or *pari passu* with, the Liens on such Junior Secured Obligations

Secured Party's own Senior Secured Obligations Collateral. To the extent such DIP Financing Liens are senior to, or rank equal with, the Senior Liens on the Senior Secured Obligations Collateral, each Junior Representative will, for itself and on behalf of the other Junior Secured Obligations Secured Parties of the applicable Series, subordinate the Junior Liens on the Senior Secured Obligations Collateral to (i) the Senior Liens (and all adequate protection liens on the Senior Secured Obligations Collateral granted to the Senior Secured Obligations Secured Parties) and the DIP Financing Liens on the Senior Secured Obligations Collateral and (ii) any "carve out" for professional fees and United States Trustee fees and other payments from the Senior Secured Obligations Collateral agreed to by the Senior Representative, so long as the Junior Secured Obligations Secured Parties retain their valid, perfected and unvoidable Liens on all the Junior Secured Obligations Collateral and their own Senior Secured Obligations Collateral, including proceeds thereof arising after the commencement of any Insolvency or Liquidation Proceeding, with the same priority as existed prior to the commencement of the case under the Bankruptcy Code.

(c) Subject to Section 2.08, each Junior Secured Obligations Secured Party agrees that it will not object to or oppose (i) a sale or other disposition of any Senior Secured Obligations Collateral (or any portion thereof) under Section 363 of the Bankruptcy Code or any other provision of the Bankruptcy Code if the Senior Secured Obligations Secured Parties shall have consented to such sale or disposition of such Senior Secured Obligations Collateral and all Senior Liens and Junior Liens will attach to the proceeds of such sale or other disposition with the same priorities set forth herein; or (ii) any lawful exercise by any holder of claims in respect of any Senior Secured Debt Obligations of the right to credit bid such claims under Section 363(k) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or any sale in foreclosure of Collateral that is Senior Secured Obligations Collateral with respect to such claims.

(d) (i) No CF Debt Secured Party shall oppose (or support the opposition of any other Person) in any Insolvency or Liquidation Proceeding to (A) any motion or other request by any ABL Secured Party for adequate protection with respect to ABL Agent's Liens upon the ABL Priority Collateral, including any claim of any ABL Secured Party to post-petition interest, fees, or expenses as a result of the ABL Lien on the ABL Priority Collateral (so long as any post-petition interest, fees, or expenses paid as a result thereof is not paid from the proceeds of CF Debt Priority Collateral), a request for the application of proceeds of ABL Priority Collateral to the ABL Debt Obligations, and request for additional or replacement Liens on post-petition assets of the same type as the ABL Priority Collateral and/or a su-perpriority administrative claim, or (B) any objection by any ABL Secured Party to any motion, relief, action or proceeding based on such ABL Secured Party claiming a lack of adequate protection with respect to the ABL Liens in the ABL Priority Collateral. In addition, the ABL Agent, for itself and on behalf of the ABL Secured Parties, may seek adequate protection of its junior interest in the CF Debt Priority Collateral in the form of an additional or replacement Lien on post-petition assets of the same type as the CF Debt Priority Collateral and/or a superpriority administrative claim, subject to the provisions of this Agreement; *provided*, that each CF Debt Agent is also granted adequate protection in the same form that is granted to the ABL Agent, which additional or replacement Lien on post-petition assets of the same type as the CF Debt Priority Collateral or superpriority administrative claim (as applicable) is senior to that granted to the ABL Agent in respect of the CF Debt Priority Collateral. Such Lien on post-petition assets of the same type as the CF Debt Priority Collateral and/or superpriority administrative claim, if granted to the ABL Agent, will be subordinated to the adequate protection Liens and/or superpriority administrative claims (as applicable) and all other Liens thereon granted in favor of each CF Debt Agent on such post-petition assets, and, if applicable, to the DIP Financing Liens of each CF Debt Agent or any other CF Debt Secured Party on such post-petition assets of the same type as the CF Debt Priority Collateral. If the ABL Agent, for itself and on behalf of the ABL Secured Parties, seeks or requires (or is otherwise granted) adequate protection of its junior interest in the CF Debt Priority Collateral in the form of an additional or replacement Lien on post-petition assets of the same type as the CF Debt Priority Collat-

eral and/or a superpriority administrative claim, then the ABL Agent, for itself and the ABL Secured Parties, agrees that each CF Debt Agent shall also be granted an additional or replacement Lien on such post-petition assets and/or a superpriority administrative claim as adequate protection of its senior interest in the CF Debt Priority Collateral and that the ABL Agent's additional or replacement Lien on post-petition assets of the same type as the CF Debt Priority Collateral and/or superpriority administrative claim (as applicable) shall be subordinated to the additional or replacement Lien on post-petition assets of the same type as the CF Debt Priority Collateral and/or superpriority administrative claim of each CF Debt Agent on the same basis as the Liens of the ABL Agent on, and claims with respect to, the CF Debt Priority Collateral are subordinated to the Liens of each CF Debt Agent on, and claims with respect to, the CF Debt Priority Collateral under this Agreement. If the ABL Agent or any ABL Secured Party receives as adequate protection a Lien on post-petition assets of the same type as the ABL Priority Collateral, then such post-petition assets shall also constitute ABL Priority Collateral to the extent of any allowed claim of the ABL Secured Parties secured by such adequate protection Lien and shall be subject to this Agreement.

(ii) No ABL Secured Party shall oppose (or support the opposition of any other Person) in any Insolvency or Liquidation Proceeding to (A) any motion or other request by any CF Debt Secured Party for adequate protection of any CF Debt Agent's Liens upon any of the CF Debt Priority Collateral, including any claim of any CF Debt Secured Party to post-petition interest, fees, or expenses as a result of any CF Debt Liens on the CF Debt Priority Collateral (so long as any post-petition interest, fees, or expenses paid as a result thereof is not paid from the proceeds of ABL Priority Collateral), a request for the application of proceeds of CF Debt Priority Collateral to the CF Debt Obligations, and request for additional or replacement Liens on post-petition assets of the same type as the CF Debt Priority Collateral and/or a superpriority administrative claim or (B) any objection by any CF Debt Secured Party to any motion, relief, action or proceeding based on such CF Debt Secured Party claiming a lack of adequate protection, with respect to any CF Debt Agent's Liens in the CF Debt Priority Collateral. In addition, any CF Debt Agent, for itself and on behalf of the applicable CF Debt Secured Parties, may seek adequate protection of its junior interest in the ABL Priority Collateral in the form of an additional or replacement Lien on post-petition assets of the same type as the ABL Priority Collateral and/or a superpriority administrative claim, subject to the provisions of this Agreement; *provided*, that the ABL Agent is also granted adequate protection in the same form that is granted to the applicable CF Debt Agent, which additional or replacement Lien on post-petition assets of the same type as the ABL Priority Collateral and/or super-priority administrative claim (as applicable) granted in favor of the ABL Agent is senior to that granted to the applicable CF Debt Agent in respect of the ABL Priority Collateral. Such Lien on post-petition assets of the same type as the ABL Priority Collateral and/or superpriority administrative claim, if granted to any CF Debt Agent, will be subordinated to the adequate protection Liens and/or superpriority administrative claims (as applicable) and all other Liens thereon granted in favor of the ABL Agent on such post-petition assets, and, if applicable, to the DIP Financing Liens of the ABL Agent or any other ABL Secured Party on such post-petition assets of the same type as the ABL Priority Collateral. If any CF Debt Agent, for itself and on behalf of any CF Debt Secured Parties, seeks or requires (or is otherwise granted) adequate protection of its junior interest in the ABL Priority Collateral in the form of an additional or replacement Lien on the post-petition assets of the same type as the ABL Priority Collateral and/or a super-priority administrative claim, then such CF Debt Agent, for itself and the applicable CF Debt Secured Parties, agrees that the ABL Agent shall also be granted an additional or replacement Lien on such post-petition assets and/or a superpriority administrative claim as adequate protection of its senior interest in the ABL Priority Collateral and that such CF Debt Agent's additional or replacement Lien on such post-petition assets of the same type as the ABL Priority Collateral and/or superpriority administrative claim shall be subordinated to the additional or replacement Lien and/or superpriority administrative claim of the ABL Agent on the same basis as the Liens of such CF Debt Agent on and claims with respect to the ABL Priority Collateral are subordinated to the Liens of the ABL Agent on and claims with respect to the ABL Priority Collateral under this Agreement. If any CF Debt Agent or any CF Debt Secured Party re-

ceives as adequate protection a Lien on post-petition assets of the same type as the CF Debt Priority Collateral, then such post-petition assets shall also constitute CF Debt Priority Collateral to the extent of any allowed claim of the applicable CF Debt Secured Parties secured by such adequate protection Lien and shall be subject to this Agreement.

(e) Each of the Junior Secured Obligations Secured Parties waives any claim such Junior Secured Obligations Secured Party may now or hereafter have against the Senior Representative or any other Senior Secured Obligations Secured Party (or their representatives) arising out of any election by the Senior Representative or any Senior Secured Obligations Secured Parties, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code with respect to such party's Senior Secured Obligations Collateral.

(f) Prior to any Discharge of Senior Secured Debt Obligations and any DIP Financing provided by the Senior Secured Obligations Secured Parties, no Junior Secured Obligations Secured Party shall seek relief from the automatic stay in any Insolvency or Liquidation Proceeding with respect to any Senior Secured Obligations Collateral unless (i) otherwise consented to by the Senior Representative or (ii) the Senior Representative or Senior Secured Obligations Secured Parties shall seek relief from the automatic stay with respect to such Collateral to commence a lien enforcement action with respect to such Senior Secured Obligations Collateral. No Junior Secured Obligations Secured Party will object to or otherwise contest any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of the Senior Secured Debt Obligations made by the Senior Representative or any other Senior Secured Obligations Secured Party (or their representatives).

(g) Each of the Junior Secured Obligations Secured Parties hereby agrees that (i) it will not oppose or seek to challenge any claim by the Senior Representative or any other Senior Secured Obligations Secured Party (or their representatives) for allowance of Senior Secured Debt Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Senior Representative's Lien on (x) the Senior Secured Obligations Collateral, without regard to the existence of the Lien of the Junior Secured Obligations Secured Parties on the Senior Secured Obligations Collateral and (y) its own Junior Secured Obligations Collateral (after taking into account the existence of the Lien of the other Senior Secured Obligations Secured Parties thereon); and (ii) prior to any Discharge of Senior Secured Debt Obligations, will not assert or enforce any claim under Section 506(c) of the Bankruptcy Code senior to or on a parity with the Liens on the Senior Secured Obligations Collateral securing the Senior Secured Debt Obligations for costs or expenses of preserving or disposing of any Collateral.

(h) Each CF Debt Agent, for itself and on behalf of the CF Debt Secured Parties under the applicable Series, and the ABL Agent, for itself and on behalf of the ABL Secured Parties, acknowledge and intend that: the grants of Liens pursuant to the CF Debt Security Documents, on the one hand, and the ABL Security Documents, on the other hand, constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the ABL Debt Obligations are fundamentally different from the CF Debt Obligations and must be separately classified in any Plan of Reorganization proposed or confirmed (or approved) in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Secured Parties and the claims of the CF Debt Secured Parties in respect of any Collateral constitute claims in the same class (rather than separate classes of secured claims), then the ABL Secured Parties and the CF Debt Secured Parties hereby acknowledge and agree that all distributions from the Collateral shall be made as if there were separate classes of ABL Debt Obligations and CF Debt Obligations against the Grantors (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral or the CF Debt Priority Collateral is sufficient (for this purpose ignoring all claims held by the other Secured Parties for whom such Collateral is Junior Secured Obligations Collat-

eral), the ABL Secured Parties or the CF Debt Secured Parties, respectively, shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, and expenses that are available from the applicable Senior Secured Obligations Collateral for each of the ABL Secured Parties and the CF Debt Secured Parties (regardless of whether any such claims for post-petition interest, fees, or expenses, may or may not be allowed or allowable in whole or in part as against any Grantor in the applicable Insolvency or Liquidation Proceeding(s) pursuant to Section 506(b) of the Bankruptcy Code or otherwise), respectively, before any distribution is made in respect of any claims in respect of the Junior Secured Obligations from, or with respect to, such applicable Senior Secured Obligations Collateral, with the holder of such Junior Secured Obligations hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them from, or with respect to, such applicable Senior Secured Obligations Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing their respective aggregate recoveries. This Section 2.06(h) is intended to govern the relationship between the classes of claims held by the ABL Secured Parties, on the one hand, and a collective class of claims comprised of each series of claims of the CF Debt Secured Parties (as opposed to separate classes of each such series of claims), on the other hand, and, for the avoidance of doubt, nothing set forth herein shall in any way alter or modify the relationship of each series of such separate claims held by the holders of the CF Debt Obligations, including as set forth in the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement, in each case, if in effect, or otherwise cause such different claims to be combined into one or more classes or otherwise classified in a manner that violates the First Lien Intercreditor Agreement or the Second Lien Intercreditor Agreement, in each case, if in effect.

(i) If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a Plan of Reorganization or similar dispositive restructuring plan, both on account of the ABL Debt Obligations and on account of the CF Debt Obligations, then, to the extent the debt obligations distributed on account of the ABL Debt Obligations and on account of the CF Debt Obligations are secured by Liens upon the Collateral, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the debt obligations so distributed, to the Liens securing such debt obligations and the distribution of proceeds thereof.

(j) If any Senior Secured Obligations Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (a "***Recovery***"), whether received as proceeds of security, enforcement of any right of set-off, recoupment or otherwise, then the Senior Secured Debt Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and the Senior Secured Obligations Secured Parties shall be entitled to a future Discharge of Senior Secured Debt Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Junior Representative, for itself and on behalf of each Junior Secured Obligations Secured Party under its Junior Documents, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

(k) To the extent that any Junior Representative or any Junior Secured Obligations Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law with respect to any of the Collateral, such Junior Representative, on behalf of itself and each Junior Secured Obligations Secured Party under its Junior Documents, agrees not to assert any such rights without the prior written consent of the Senior Representative; *provided* that if requested by the Senior Representative, such Junior Representative shall timely exercise such rights in the manner requested by the Senior Representative, including any rights to payments in respect of such rights.

(l) No Junior Representative or any other Junior Secured Obligations Secured Party may support or vote in favor of any Plan of Reorganization (and each shall be deemed to have voted to reject any Plan of Reorganization) that is inconsistent with the terms of this Agreement.

SECTION 2.07. Reinstatement. In the event that any of the Senior Secured Debt Obligations shall be paid and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference or other avoidance under the Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Agreement shall be fully applicable thereto until all such Senior Secured Debt Obligations shall again have been paid in full in cash.

SECTION 2.08. Entry upon Premises by the ABL Agent and the ABL Secured Parties; Intellectual Property License.

(a) If the ABL Agent takes any enforcement action with respect to the ABL Priority Collateral, the CF Debt Secured Parties (i) shall reasonably cooperate with the ABL Agent (at the sole cost and expense of the ABL Agent and subject to the condition that no CF Debt Secured Party shall have any obligation or duty to take any action or refrain from taking any action that could in the opinion of such CF Debt Secured Party be expected to result in the incurrence of any liability or damage to such CF Debt Secured Party) in its efforts to enforce its security interest in the ABL Priority Collateral and to finish any work-in-process and assemble the ABL Priority Collateral, (ii) shall not take any action designed or intended to hinder or restrict in any respect the ABL Agent from enforcing its security interest in the ABL Priority Collateral or from finishing any work-in-process or assembling the ABL Priority Collateral, and (iii) subject to the rights of any landlords under real estate leases, shall permit the ABL Agent, its employees, agents, advisers and representatives, at the sole cost and expense of the ABL Secured Parties and upon reasonable advance notice, to enter upon and use the CF Debt Priority Collateral (including equipment, processors, computers and other machinery related to the storage or processing of records, documents or files), for a period not to exceed 180 days after the taking of such enforcement action, for purposes of (1) assembling and storing the ABL Priority Collateral and completing the processing of and turning into finished goods of any ABL Priority Collateral consisting of work-in-process, (2) selling any or all of the ABL Priority Collateral located on such CF Debt Priority Collateral, whether in bulk, in lots or to customers in the ordinary course of business by liquidation, sale, or otherwise, (3) removing any or all of the ABL Priority Collateral located on such CF Debt Priority Collateral, or (4) taking reasonable actions to protect, secure and otherwise enforce the rights of the ABL Secured Parties in and to the ABL Priority Collateral; *provided*, *however*, that nothing contained in this Agreement shall restrict the rights of any CF Debt Agent from selling, assigning or otherwise transferring any CF Debt Priority Collateral prior to the expiration of such 180-day period if the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 2.08. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Priority Collateral has been entered by a court of competent jurisdiction, such 180-day period shall be tolled during the pendency of any such stay or other order. If the ABL Agent conducts a public auction or private sale of the ABL Priority Collateral at any of the real property included within the

CF Debt Priority Collateral, the ABL Agent shall provide each CF Debt Agent with reasonable notice and use reasonable efforts to hold such auction, or sale in a manner which would not unduly disrupt such CF Debt Agent's use of such real property.

(b) Notwithstanding any limitation set forth in Section 2.08(a), no CF Debt Secured Party shall in any manner interfere with ABL Agent's right to use any Intellectual Property pursuant to any license or other right of use granted by a Grantor or pursuant to any applicable law, and any sale or other disposition of such Intellectual Property whether by a lien enforcement action or otherwise shall be made expressly subject to such license or other right of use until the soonest to occur of the following: (i) the Discharge of Senior Secured Debt Obligations of the ABL Secured Parties, or (ii) all ABL Priority Collateral consisting of inventory has been sold or otherwise disposed of after the occurrence and during the continuance of an Event of Default under the ABL Debt Documents, whether pursuant to a lien enforcement action by ABL Secured Parties, by a trustee or other representative of creditors in an Insolvency or Liquidation Proceeding or by one or more Grantors in an orderly liquidation of such ABL Priority Collateral, to repay the ABL Debt Obligations. Nothing in this Section shall be deemed to modify, waive, condition, limit or otherwise adversely affect any right ABL Agent may have to sell or otherwise dispose of any inventory (including inventory bearing any trademarks or tradenames forming a part of the CF Debt Priority Collateral), whether by lien enforcement action or otherwise, after any sale or other disposition of any intellectual property by any CF Debt Agent or any other CF Debt Secured Party.

(c) During the period of actual occupation, use or control by the ABL Secured Parties or their agents or representatives of any CF Debt Priority Collateral, the ABL Secured Parties shall (i) be responsible for the ordinary course third-party expenses related thereto, including costs with respect to heat, light, electricity, water and real property taxes with respect to that portion of any premises so used or occupied for such period, and (ii) be obligated to repair at their expense any physical damage to such CF Debt Priority Collateral or other assets or property resulting from such occupancy, use or control, and to leave such CF Debt Priority Collateral or other assets or property in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. The ABL Secured Parties severally (on a pro rata basis) agree to indemnify and hold harmless each CF Debt Agent and their respective officers, directors, employees and agents harmless from and against any liability, cost, expense, loss or damages, including legal fees and expenses, arising from any claim by a third party against any of them as a direct result of any action by the ABL Agent or any of its agents in its or their operation of such facilities to the extent not covered by insurance or the applicable insurer has denied coverage therefor as provided herein. The ABL Secured Parties severally (on a pro rata basis) agree to pay, indemnify and hold each CF Debt Agent and their respective officers, directors, employees and agents harmless from and against any liability, cost, expense, loss or damages, including legal fees and expenses, resulting from the gross negligence or willful misconduct of the ABL Agent or any of its agents, representatives or invitees in its or their operation of such facilities. Notwithstanding the foregoing, in no event shall the ABL Secured Parties have any liability to the CF Debt Secured Parties pursuant to this Section as a result of any condition (including any environmental condition, claim or liability) on or with respect to the CF Debt Priority Collateral existing prior to the date of the exercise by the ABL Secured Parties of their rights under this Section and the ABL Secured Parties shall have no duty or liability to maintain the CF Debt Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Secured Parties, or for any diminution in the value of the CF Debt Priority Collateral that results solely from ordinary wear and tear resulting from the use of the CF Debt Priority Collateral by the ABL Secured Parties in the manner and for the time periods specified under this Section 2.08. Without limiting the rights granted in this paragraph, ABL Agent, to the extent that rights have been exercised under this Section 2.08 by ABL Agent, shall cooperate with the CF Debt Secured Parties in connection with any efforts made by the CF Debt Secured Parties to sell the CF Debt Priority Collateral.

(d) Each CF Debt Agent and each CF Debt Secured Party, in its capacity as a secured party (or as a purchaser, assignee or transferee, as applicable), and to the extent of its interest therein, hereby grants to the ABL Agent and the ABL Secured Parties a nonexclusive, irrevocable, royalty-free, worldwide license to use, license or sublicense any and all Intellectual Property now owned or hereafter acquired included as part of the CF Debt Collateral (and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof) as is or may be necessary or advisable in the ABL Agent's reasonable judgment for the ABL Agent to process, ship, produce, store, supply, lease, complete, sell, liquidate or otherwise deal with the ABL Priority Collateral, or to collect or otherwise realize upon any Accounts (as defined in the ABL Credit Agreement) comprising ABL Priority Collateral, in each case solely in connection with any exercise of remedies available to the ABL Secured Parties; *provided* that (i) any such license shall terminate upon the sale of the applicable ABL Priority Collateral and shall not extend or transfer to the purchaser of such ABL Priority Collateral, (ii) the ABL Agent's use of such Intellectual Property shall be reasonable and lawful, and (iii) any such license is granted on an "AS IS" basis, without any representation or warranty whatsoever. Furthermore, each CF Debt Agent agrees that, in connection with any exercise of remedies available to any CF Debt Agent in respect of CF Debt Collateral, such CF Debt Agent shall provide written notice to any purchaser, assignee or transferee of Intellectual Property pursuant to such exercise of remedies, that the applicable Intellectual Property is subject to such license.

SECTION 2.09. Insurance. Unless and until written notice by the ABL Agent to each CF Debt Agent that the Discharge of Senior Secured Debt Obligations in respect of the ABL Debt Obligations has occurred, as between the ABL Agent, on the one hand, and any CF Debt Agent, on the other hand, only the ABL Agent will have the right (subject to the rights of the Grantors under the ABL Debt Documents and the CF Debt Documents) to adjust or settle any insurance policy or claim covering or constituting ABL Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the ABL Priority Collateral. Unless and until written notice by each CF Debt Agent to the ABL Agent that the CF Debt Obligations have been paid in full, as between the ABL Agent, on the one hand, and any CF Debt Agent, on the other hand, only CF Debt Agents will have the right (subject to the rights of the Grantors under the ABL Debt Documents and the CF Debt Documents) to adjust or settle any insurance policy covering or constituting CF Debt Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding solely affecting CF Debt Priority Collateral. To the extent that an insured loss covers or constitutes both ABL Priority Collateral and CF Debt Priority Collateral, then the ABL Agent and each CF Debt Agent will work jointly and in good faith to collect, adjust or settle (subject to the rights of the Grantors under the ABL Debt Documents and the CF Debt Documents) under the relevant insurance policy.

SECTION 2.10. Refinancing and Additional Secured Debt.

(a) The ABL Debt Obligations and the CF Debt Obligations may be Replaced by any ABL Substitute Facility or Term Loan Substitute Facility, as the case may be, in each case, without notice to or the consent of any Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; *provided*, *however*, that each CF Debt Agent and the ABL Agent shall receive on or prior to incurrence of the Replacement of an ABL Substitute Facility or Term Loan Substitute Facility (i) an Officer's Certificate from the Borrower stating that (A) the Replacement is permitted by each applicable Secured Document to be incurred, or to the extent a consent is otherwise required to permit the Replacement under any Secured Document, each Grantor has obtained the requisite consent and (B) the requirements of Section 2.12 have been satisfied, and (ii) a Lien Sharing and Priority Confirmation Joinder from the holders or lenders of any indebtedness that Replaces the ABL Debt Obligations or the CF Debt Obligations (or an authorized agent, trustee or other representative on their behalf).

Each of the then-existing ABL Agent and CF Debt Agents shall be authorized to execute and deliver such documents and agreements (including amendments or supplements to this Agreement) as such holders, lenders, agent, trustee or other representative may reasonably request to give effect to such Replacement, it being understood that the ABL Agent and each CF Debt Agent, without the consent of any other Secured Party, may amend, supplement, modify or restate this Agreement to the extent reasonably necessary or appropriate to facilitate such amendments or supplements to effect such Replacement all at the expense of the Borrower. Upon the consummation of such Replacement and the execution and delivery of the documents and agreements contemplated in the preceding sentence, the holders or lenders of such indebtedness and any authorized agent, trustee or other representative thereof shall be entitled to the benefits of this Agreement.

(b) Each Grantor will be permitted to designate as an additional holder of Secured Debt Obligations hereunder each Person who is or who becomes the registered holder of Additional Debt incurred by such Grantor after the date of this Agreement in accordance with the terms of all applicable Secured Documents. Each Grantor may effect such designation by delivering to each CF Debt Agent and the ABL Agent, each of the following:

(i) an Officer's Certificate stating that such Grantor intends to incur Additional Debt which will be permitted by each applicable Secured Document to be incurred and secured by a CF Debt Lien, and

(ii) the Additional Debt Agent, on behalf of itself and the Additional Debt Secured Parties of the applicable Series must, prior to such designation, sign and deliver a Lien Sharing and Priority Confirmation Joinder.

(c) Notwithstanding the foregoing, nothing in this Agreement will be construed to allow any Grantor to incur additional indebtedness unless otherwise permitted by the terms of each applicable Secured Document.

(d) Any Series of Additional Pari First Lien CF Debt shall rank equal in right of security with all other Pari First Lien CF Debt.

SECTION 2.11. Modification; No Interference.

(a) The ABL Secured Parties may agree to modify the terms (including, amending, restating, amending and restating, supplementing, restructuring, repaying, refinancing or otherwise modifying) of any of the ABL Debt Obligations and grant extensions of the time of payment or performance to and make compromises (including releases of Liens on the ABL Priority Collateral or of guaranties) and settlements with any and all Grantors and all other Persons, in each case, without the consent of the CF Debt Secured Parties and without affecting agreements of the CF Debt Secured Parties in this Agreement. If an ABL Secured Party should amend or waive any provisions of the ABL Debt Documents, whether or not any ABL Secured Party has knowledge that such amendment or waiver would result in a breach of any CF Debt Documents or an Event of Default under any CF Debt Documents, or knowledge of an act, condition or event which with notice or passage of time or both would constitute an Event of Default under any CF Debt Documents, in no event shall the ABL Secured Parties have any liability to any CF Debt Secured Parties as a result of such breach and, without limiting generality of the foregoing, the ABL Secured Parties shall not have any liability for tortious interference with contractual relations or for inducement by the ABL Secured Parties of any Grantor to breach any contract or otherwise. Nothing contained

in this Section 2.11(a) shall limit, impair or waive any right that the CF Debt Secured Parties have to enforce any of the provisions of the CF Debt Documents against any Grantor and the provisions of this Agreement against any ABL Secured Party.

(b) The CF Debt Secured Parties may agree to modify the terms (including, amending, restating, amending and restating, supplementing, restructuring, repaying, refinancing or otherwise modifying) of any of their respective CF Debt Obligations and grant extensions of the time of payment or performance to and make compromises (including releases of Liens on CF Debt Priority Collateral or of guaranties) and settlements with any and all Grantors and all other Persons, in each case, without the consent of the ABL Secured Parties and without affecting the agreements of the ABL Secured Parties in this Agreement. If a CF Debt Secured Party should amend or waive any provisions of its respective CF Debt Documents, whether or not any CF Debt Secured Party has knowledge that such amendment or waiver would result in a breach of any ABL Debt Documents or an Event of Default under any ABL Debt Documents, or knowledge of an act, condition or event which with notice or passage of time or both would constitute an Event of Default under any ABL Debt Documents, in no event shall the CF Debt Secured Parties have any liability to any ABL Secured Party as a result of such breach and, without limiting generality of the foregoing, the CF Debt Secured Parties shall not have any liability for tortious interference with contractual relations or for inducement by the CF Debt Secured Parties of any Grantor to breach any contract or otherwise. Nothing contained in this Section 2.11(b) shall limit, impair or waive any right that the ABL Secured Parties have to enforce any of the provisions of the ABL Debt Documents against any Grantor and the provisions of this Agreement against any CF Debt Secured Party.

SECTION 2.12. Legends. Each Security Document shall (and, to the extent already in existence, shall be amended to) include a legend, substantially in the form of Annex I, describing this Agreement.

SECTION 2.13. Junior Secured Obligations Secured Parties Rights as Unsecured Creditors. Both before and during an Insolvency or Liquidation Proceeding, any of the Junior Secured Obligations Secured Parties may take any actions and exercise any and all rights that would be available to a holder of unsecured claims, including, without limitation, the commencement of an Insolvency or Liquidation Proceeding against any Grantor in accordance with applicable law (including the Bankruptcy Laws of any applicable jurisdiction); *provided* that, the Junior Secured Obligations Secured Parties may not take any of the actions prohibited by or inconsistent with Section 2.02, clauses (i) through (vii) of Section 2.04(a), Section 2.06(b), (c), (d) and (e) or any other section of this Agreement; *provided*, *further*, that in the event that any of the Junior Secured Obligations Secured Parties becomes a judgment lien creditor in respect of any Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Junior Secured Obligations, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Senior Secured Debt Obligations) as the other Liens securing the Junior Secured Obligations are subject to this Agreement.

SECTION 2.14. Set-Off and Tracing of and Priorities in Proceeds. Each CF Debt Agent, on behalf of the CF Debt Secured Parties under the applicable Series, acknowledges and agrees that, to the extent any CF Debt Agent or any CF Debt Secured Party exercises any rights of set-off against any ABL Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 2.04(b). The ABL Agent, on behalf of the ABL Secured Parties, acknowledges and agrees that, to the extent the ABL Agent or any ABL Secured Party exercises any rights of set-off against any ABL Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 2.04(b). The ABL Agent, for itself and on behalf of the ABL Secured Parties, and each CF Debt Agent, for itself and on behalf of the CF Debt Secured Parties under the applicable series, further agree that prior to an issuance of any Enforcement Notice with respect to the Senior Secured Obligations Collateral or the commencement

of any Insolvency or Liquidation Proceeding, any proceeds of Collateral, whether or not deposited under Account Agreements, which are used by any Grantor to acquire other property which is Collateral shall not (solely as between the ABL Agent, the ABL Secured Parties, the CF Debt Agents and the CF Debt Secured Parties) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. In addition, unless and until the Discharge of Senior Secured Debt Obligations occurs, the CF Debt Agents and the CF Debt Secured Parties each hereby consents to the application, prior to the receipt by the ABL Agent of an Enforcement Notice issued by any CF Debt Agent, of cash or other proceeds of Collateral, deposited under Account Agreements to the repayment of ABL Debt Obligations pursuant to the ABL Debt Documents; *provided* that after the receipt by the ABL Agent of an Enforcement Notice from any CF Debt Agent, any identifiable proceeds of CF Debt Priority Collateral (whether or not deposited under Account Agreements with the ABL Agent) shall be treated as CF Debt Priority Collateral.

ARTICLE III

Gratuitous Bailment for Perfection of Certain Security Interests; Rights Under Permits and Licenses

SECTION 3.01. General. The ABL Agent and each CF Debt Agent agrees and acknowledges that if it shall at any time hold a Senior Lien on any Junior Secured Obligations Collateral that can be perfected by the possession or control of such Collateral or of any account in which such Collateral is held, and if such Collateral or any such account is in fact in the possession or under the control of the Senior Representative, the Senior Representative shall also hold such Collateral as gratuitous bailee for the Junior Representatives for the sole purpose of perfecting the Junior Lien of the Junior Representatives on such Collateral. It is agreed that the obligations of the Senior Representative and the rights of the Junior Representatives and the other Junior Secured Obligations Secured Parties in connection with any such bailment arrangement will be in all respects subject to the provisions of Article II. Notwithstanding anything to the contrary herein, the ABL Agent and each CF Debt Agent will be deemed to make no representation as to the adequacy of the steps taken by it to perfect the Junior Lien on any such Collateral and shall have no responsibility, duty, obligation, fiduciary relationship or responsibility, or liability to the Junior Representatives or other Junior Secured Obligations Secured Party or any other person for such perfection or failure to perfect, it being understood that the sole purpose of this Article is to enable the Junior Secured Obligations Secured Parties to obtain a perfected Junior Lien in such Collateral to the extent, if any, that such perfection results from the possession or control of such Collateral or any such account by the ABL Agent or any CF Debt Agent. Subject to Section 2.07 and to the ABL Agent or any CF Debt Agent receiving such indemnifications as shall be required by such ABL Agent or any CF Debt Agent, from and after the associated Discharge of Senior Secured Debt Obligations, the ABL Agent or any CF Debt Agent shall take all such actions in its power as shall reasonably be requested by any Junior Representative (at the sole cost and expense of the Grantors) to transfer possession of such Collateral in its possession (in each case to the extent such Junior Representative has a Lien on such Collateral after giving effect to any prior or concurrent releases of Liens) to such Junior Representative (and with respect to any Collateral constituting ABL Priority Collateral, to the Controlling CF Debt Agent for the benefit of all applicable Junior Secured Obligations Secured Parties). In furtherance of the foregoing, each Grantor hereby grants a security interest in the Collateral to each ABL Agent and CF Debt Agent that controls such Collateral for the benefit of all Junior Representatives and Junior Secured Obligations Secured Parties which have been granted a Lien on such Collateral controlled by such Senior Representative to secure the Junior Secured Obligations.

SECTION 3.02. Deposit Accounts.

(a) The Grantors, to the extent required by the ABL Credit Agreement, may from time to time establish deposit or other accounts (the "***Deposit Accounts***") with certain depositary banks in which collections from inventory and Accounts (as defined in the ABL Credit Agreement) may be deposited. To the extent that any such Deposit Account is under the control of the ABL Agent at any time, the ABL Agent will act as agent and gratuitous bailee for each CF Debt Agent for the purpose of perfecting the Liens of the CF Debt Secured Parties in such Deposit Accounts and the cash and other assets therein as provided in Section 3.01 (but will have no duty, responsibility or obligation to the CF Debt Secured Parties (including, without limitation, any duty, responsibility or obligation as to the maintenance of such control, the effect of such arrangement or the establishment of such perfection)). Unless the Junior Liens on such ABL Priority Collateral shall have been or concurrently are released, after the occurrence of any Discharge of Senior Secured Debt Obligations, the ABL Agent shall, to the extent that the same are then under the sole dominion and control of the ABL Agent and that such action is otherwise within the power and authority of the ABL Agent pursuant to the ABL Debt Documents, at the request of any CF Debt Agent, cooperate with Grantors and the other CF Debt Agents (at the expense of the Grantors) in permitting control of any Deposit Accounts to be transferred to the Controlling CF Debt Agent (or for other arrangements with respect to each such Deposit Accounts satisfactory to each CF Debt Agent to be made).

(b) The Grantors, the Representatives, the Secured Parties and all other parties hereto agree that only proceeds of the CF Debt Priority Collateral may be deposited in the Collateral Proceeds Accounts and agree to take all other actions necessary to give effect to the intent of this Section 3.02(b). Without limiting the generality of the foregoing, each CF Debt Agent hereby agrees that if any Collateral Proceeds Account contains any proceeds of the ABL Priority Collateral, it shall hold such proceeds in trust for the ABL Secured Parties and transfer such proceeds to the ABL Secured Parties reasonably promptly after obtaining actual knowledge or notice from the ABL Secured Parties that it has possession of such proceeds in accordance with Section 2.04(b). Subject to Section 7.12, each CF Debt Agent shall give written notice to the ABL Agent identifying the Collateral Proceeds Accounts.

SECTION 3.03. Rights Under Permits and Licenses.

(a) Each CF Debt Agent agrees that if the ABL Agent shall require rights available under any permit or license controlled by such CF Debt Agent (as certified to such CF Debt Agent by the ABL Agent, upon which such CF Debt Agent may rely) in order to realize on any ABL Priority Collateral, such CF Debt Agent shall (subject to the terms of the CF Debt Documents, including such CF Debt Agent's rights to indemnification thereunder) take all such actions as shall be available to it (at the sole expense of the Grantors), consistent with applicable law and reasonably requested by the ABL Agent in writing, to make such rights available to the ABL Agent, subject to the CF Debt Liens. The ABL Agent agrees that if any CF Debt Agent shall require rights available under any permit or license controlled by the ABL Agent (as certified to the ABL Agent by such CF Debt Agent, upon which the ABL Agent may rely) in order to realize on any CF Debt Priority Collateral, the ABL Agent shall (subject to the terms of the ABL Debt Documents, including such ABL Agent's rights to indemnification thereunder) take all such actions as shall be available to it (at the sole expense of the Grantors), consistent with applicable law and reasonably requested by such CF Debt Agent in writing, to make such rights available to such CF Debt Agent, subject to the ABL Liens.

ARTICLE IV

Existence and Amounts of Liens and Obligations

Whenever a Representative shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any Senior Secured Debt Obligations (or the existence of any commitment to extend credit that would constitute Senior Secured Debt Obligations) or Junior Secured Obligations (or the existence of any commitment to extend credit that would constitute Junior Secured Obligations), or the existence of any Lien securing any such obligations, or the Collateral subject to any such Lien, it may request that such information be furnished to it in writing by the other Representative or Representatives and shall be entitled to make such determination on the basis of the information so furnished; *provided*, *however*, that if a Representative shall fail or refuse reasonably promptly to provide the requested information, the requesting Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. Each Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to the Grantors or any of their Subsidiaries, any Secured Party or any other person as a result of such determination.

ARTICLE V

Consent of Grantors

Each Grantor hereby consents to the provisions of this Agreement and the intercreditor arrangements provided for herein and agrees that the obligations of the Grantors under the Security Documents will in no way be diminished or otherwise affected by such provisions or arrangements (except as expressly provided herein).

ARTICLE VI

Representations and Warranties

SECTION 6.01. Representations and Warranties of Each Party. Each party hereto represents and warrants to the other parties hereto as follows:

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

(b) This Agreement has been duly executed and delivered by such party.

(c) The execution, delivery and performance by such party of this Agreement (i) do not require any consent or approval of, registration or filing with or any other action by any governmental authority of which the failure to obtain could reasonably be expected to have a Material Adverse Effect (as defined in the ABL Credit Agreement), (ii) will not violate any applicable law or regulation or any order of any governmental authority or any indenture, agreement or other instrument binding upon such party which could reasonably be expected to have a Material Adverse Effect and (iii) will not violate the charter, by-laws or other organizational documents of such party.

SECTION 6.02. Representations and Warranties of Each Representative. Each of the CF Debt Agents and the ABL Agent represents and warrants to the other parties hereto that it is authorized under their respective CF Debt Documents and the ABL Credit Agreement, as the case may be, to enter into this Agreement.

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Original ABL Agent, to JPMorgan Chase Bank, N.A., at 2200 Ross Avenue, 9th Floor, Dallas, TX 75201; Attention of Candice Brooks, telephone: (214) 965-2463; email: candice.c.brooks@chase.com and Jeff Tompkins, telephone: (214) 965-3549; email: jeff.a.tompkins@jpmchase.com;

(b) if to the Original Term Loan Agent, to Morgan Stanley Senior Funding, Inc., at 1585 Broadway New York, New York 10036; Attention of Sean Marshall, telecopy: 212-507-6680; email: Sean.Marshall@morganstanley.com, with a copy to: msagency@morganstanley.com; and

(c) if to any other Representative, to such address as specified in the Lien Sharing and Priority Confirmation Joinder.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (and for this purpose a notice to the Borrower shall be deemed to be a written notice to each Grantor). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt (if a Business Day) and on the next Business Day thereafter (in all other cases) at the address of such party as provided in this Section 7.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 7.01. As agreed to in writing among the Borrower, on behalf of the Grantors, each CF Debt Agent and the ABL Agent from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable person provided from time to time by such person.

SECTION 7.02. Waivers; Amendment.

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be terminated, waived, amended or modified except pursuant to an agreement or agreements in writing entered into by each Representative and the Borrower, on behalf of the Grantors (it being understood that the consent of the Borrower to any amendment or modification of this Agreement or any provision thereof shall only be required to the extent such amendment or modification adversely affects or impairs the rights of any Grantor (including rights hereunder, under the ABL Debt Documents and under the CF Debt Documents) or imposes any additional obligation or liability upon any Grantor); *provided*, *however*, that this Agreement may be amended from time to time (x) as provided in Section 2.10 and (y) at the sole request and expense of the Borrower, and without the consent of any Representative, to add, pursuant to the Intercreditor Agreement Joinder, additional Grantors whereupon such Person will be bound by the terms hereof to the same extent as if it had executed and delivered this Agreement as of the date hereof. Any amendment of this Agreement that is proposed to be effected without the consent of a Representative as permitted by the proviso to the preceding sentence shall be submitted to such Representative for its review at least 5 Business Days (or such shorter period as shall be acceptable to such Representative) prior to the proposed effectiveness of such amendment; *provided* that no prior review shall be required for the joinder of a Grantor pursuant to a joinder in the form of Exhibit A.

SECTION 7.03. Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 7.04. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 7.05. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile transmission (or other electronic transmission) shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.06. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.07. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York, New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may

be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.08. WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER SECURED DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 7.09. Headings. Article, Section and Annex headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.10. Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any Secured Documents, the provisions of this Agreement shall control.

SECTION 7.11. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the ABL Secured Parties, on the one hand, and the CF Debt Secured Parties, on the other hand. None of the Grantors or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement (*provided* that nothing in this Agreement is intended to or will amend, waive or otherwise modify the provisions of the ABL Debt Documents or the CF Debt Documents), and no Grantor may rely on the terms hereof (other than Sections 2.05, 2.06, 2.10, Article III, Article VI and Article VII). Nothing in this Agreement is intended to or shall impair the obligations of Grantors, which are absolute and unconditional, to pay the Obligations under the Secured Documents as and when the same shall become due and payable in accordance with their terms. Notwithstanding anything to the contrary herein or in any Secured Document, the Grantors shall not be required to act or refrain from acting (a) pursuant to this Agreement or any CF Debt Document with respect to any ABL Priority Collateral in any manner that would cause a default under any ABL Debt Document, or (b) pursuant to this Agreement or any ABL Debt Document with respect to any CF Debt Priority Collateral in any manner that would cause a default under any CF Debt Document.

SECTION 7.12. Certain Terms Concerning the ABL Agent and Each CF Debt Agent; Force Majeure.

(a) Neither the ABL Agent nor any CF Debt Agent shall have any liability or responsibility for the actions or omissions of any other Secured Party, or for any other Secured Party's compliance with (or failure to comply with) the terms of this Agreement. Neither the ABL Agent nor any

CF Debt Agent shall have individual liability to any Person if it shall mistakenly pay over or distribute to any Secured Party (or the Grantors) any amounts in violation of the terms of this Agreement, so long as the ABL Agent or such CF Debt Agent, as the case may be, is acting in good faith. In no event shall the ABL Agent or any CF Debt Agent be responsible for or liable for (i) any failure or delay in the performance of its obligations under this Agreement arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services or (ii) special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether any such party has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) Each of the CF Debt Agents and the ABL Agent is executing and delivering this Agreement solely in its capacity as agent and in so doing, neither such CF Debt Agent nor the ABL Agent shall be responsible for the terms or sufficiency of this Agreement for any purpose. None of the CF Debt Agents or the ABL Agent shall have any duties or obligations under or pursuant to this Agreement other than such duties as may be expressly set forth in this Agreement as duties on its part to be performed or observed. In entering into this Agreement, or in taking (or forbearing from) any action under or pursuant to this Agreement, each CF Debt Agent and the ABL Agent shall have and be protected by all of the rights, immunities, indemnities and other protections granted to it under the ABL Debt Documents and the applicable CF Debt Documents, as applicable.

SECTION 7.13. Intercreditor Agreements. Notwithstanding anything to the contrary contained in this Agreement, each party hereto agrees that the CF Debt Secured Parties under the Pari First Lien CF Debt (as among themselves), the CF Debt Secured Parties under the Pari Second Lien CF Debt (as among themselves) and the CF Debt Secured Parties under the CF Debt (as among each other) may in each case enter into intercreditor agreements (or similar arrangements) with the relevant Representatives governing the rights, benefits and privileges of CF Debt Secured Parties under the Pari First Lien CF Debt (as among themselves), the CF Debt Secured Parties under the Pari Second Lien CF Debt (as among themselves) or the CF Debt Secured Parties under the CF Debt (as among each other), as the case may be, in respect of any or all of the Collateral and the applicable CF Debt Documents, including as to the application of proceeds of any Collateral, voting rights, control of any Collateral and waivers with respect to any Collateral, in each case so long as the terms thereof do not violate or conflict with the provisions of this Agreement.

[Remainder of this page intentionally left blank]

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

JPMORGAN CHASE BANK, N.A.,
as Original ABL Agent

By: /s/ Candice Brooks
Name: Candice Brooks
Title: Authorized Officer

[Signature Page to ABL Intercreditor Agreement]

MORGAN STANLEY SENIOR FUNDING, INC.,
as Original Term Loan Agent

By: /s/ Stephen B. King
Name: Stephen B. King
Title: Vice President

[Signature Page to ABL Intercreditor Agreement]

ACADEMY, LTD.

By: Academy Managing Co., L.L.C.
its sole general partner

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

NEW ACADEMY HOLDING COMPANY, LLC,

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

ACADEMY MANAGING CO., L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

ASSOCIATED INVESTORS, L.L.C.,

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

ACADEMY FINANCE CORPORATION,

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

ACADEMY.COM, L.L.C.,

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

BRAZOS SPORTS RETAIL MANAGEMENT, L.L.C.,

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

ACADEMY ADMINISTRATIVE SERVICES, L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

[Signature Page to ABL Intercreditor Agreement]

Exhibit 10.5

EXECUTION VERSION

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT

dated as of July 2, 2015

among

ACADEMY, LTD.,
as the Borrower,

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings,

ASSOCIATED INVESTORS LLC,
and
ACADEMY MANAGING CO., LLC,
as Texas Intermediate Holdcos

The Several Lenders
from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,
as the Administrative Agent, Collateral Agent, Letter of Credit Issuer
and Swingline Lender

J.P. MORGAN SECURITIES LLC,
BARCLAYS BANK PLC,
CREDIT SUISSE SECURITIES (USA) LLC,
GOLDMAN SACHS BANK USA,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
MORGAN STANLEY SENIOR FUNDING, INC.,
REGIONS CAPITAL MARKETS,
U.S. BANK NATIONAL ASSOCIATION

and

WELLS FARGO BANK N.A.
as Joint Lead Arrangers and Bookrunners

WELLS FARGO BANK N.A.
as the Syndication Agent

and

U.S. BANK NATIONAL ASSOCATION
as the Documentation Agent

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT, dated as of July 2, 2015, among ACADEMY, LTD., a Texas limited partnership (the "**Borrower**"), NEW ACADEMY HOLDING COMPANY, LLC, a Delaware limited liability company, ASSOCIATED INVESTORS LLC and ACADEMY MANAGING CO., LLC, as Texas Intermediate Holdcos, the lending institutions from time to time parties hereto (each a "**Lender**" and, collectively, the "**Lenders**") and JPMORGAN CHASE BANK, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender (such terms and each other capitalized term used but not defined in this preamble having the meaning provided in Section 1.1).

WHEREAS, the Borrower, certain of the Lenders and JPMorgan Chase Bank, N.A., as administrative agent for such lenders, are parties to the Existing ABL Facility (defined below) pursuant to which asset based revolving credit loans have been made available to the Borrower and the Borrower has requested to amend and restate the Existing ABL Facility in its entirety;

WHEREAS, in connection with the foregoing, the Borrower has requested that (i) the Lenders extend credit in the form of Revolving Credit Loans made available to the Borrower at any time and from time to time prior to the Revolving Credit Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $650,000,000 less the sum of (1) aggregate Letters of Credit Outstanding at such time and (2) the aggregate principal amount of all Swingline Loans outstanding at such time (ii) the Letter of Credit Issuers issue Letters of Credit at any time and from time to time prior to the L/C Facility Maturity Date, in an aggregate Stated Amount at any time outstanding not in excess of $100,000,000 and (iii) the Swingline Lender extend credit in the form of Swingline Loans at any time and from time to time prior to the Swingline Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $65,000,000 the Lenders extend Commitments to the Borrower on the Restatement Effective Date of up to $650,000,000;

WHEREAS, it is intended that the Borrower will incur term loans under a term loan facility established pursuant to the Term Loan Credit Documents (the "**Term Loan Facility**") generating gross proceeds of $1,825,000,000;

WHEREAS, the proceeds of the Term Loans will be used, together with any net proceeds of borrowings by the Borrower hereunder on the Restatement Effective Date, to finance the Transactions and borrowings hereunder after the Restatement Effective Date will be used for working capital and for other general corporate purposes; and

WHEREAS, the Lenders and the Letter of Credit Issuers are willing to make available to the Borrower such revolving credit and letter of credit facilities upon the terms and subject to the conditions set forth herein.

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

Section 1. Definitions

1.1 Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"**ABL Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit H (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) between the Collateral Agent and the collateral agent under the Term Loan Facility.

"**ABL Priority Collateral**" shall have the meaning provided in the ABL Intercreditor Agreement.

"**ABR**" shall mean for any day a fluctuating rate per annum equal to the highest of (i) the Federal Funds Effective Rate *plus* 1/2 of 1%, (ii) the rate of interest in effect for such day as determined from time to time by the Administrative Agent as its "prime rate" at its principal office in New York City, and (iii) the Adjusted LIBOR Rate

(which rate shall be calculated based on an Interest Period of one month as of such date) *plus* 1%. Any change in the ABR due to a change in such rate determined by the Administrative Agent or in the Federal Funds Effective Rate or Adjusted LIBOR Rate shall take effect at the opening of business on the day of such change.

"**ABR Loan**" shall mean each Loan bearing interest based on the ABR.

"**Account(s)**" shall mean "accounts" as defined in the UCC, and includes without limitation a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, or (c) arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Account" does not include (a) rights to payment evidenced by chattel paper or an instrument, (b) commercial tort claims, (c) deposit accounts, (d) investment property, (e) letter-of-credit rights or letters of credit, or (f) rights to payment for money or funds advanced other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

"**Account Debtor**" shall mean any Person obligated on an Account, Chattel Paper or General Intangible.

"**ACH**" shall mean automated clearing house transfers.

"**Acquired EBITDA**" shall mean, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a "**Pro Forma Entity**") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and the Restricted Subsidiaries therein were to such Pro Forma Entity and its Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in accordance with GAAP.

"**Acquired Entity or Business**" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"**Acquired Indebtedness**" shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary, of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary, of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Adjusted LIBOR Rate**" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum equal to the product of (i) the LIBOR Rate in effect for such Interest Period and (ii) Statutory Reserves.

"**Adjusted Total Revolving Credit Commitment**" shall mean at any time the Total Revolving Credit Commitment less the aggregate Revolving Credit Commitments of all Defaulting Lenders.

"**Adjustment Date**" shall mean the last day of each calendar month of March, June, September and December.

"**Administrative Agent**" shall mean JPMorgan Chase Bank, N.A., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

"**Administrative Agent's Office**" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 13.2 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"**Administrative Questionnaire**" shall have the meaning provided in Section 13.6(b)(ii)(D).

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"**Affiliated Institutional Lender**" shall mean (i) any Affiliate of the Sponsor that is a bona fide debt fund or any such Affiliate that extends credit or buys loans in the ordinary course of business, (ii) KKR Corporate Lending LLC and KKR Capital Markets LLC and (iii) MCS Corporate Lending LLC and MCS Capital Markets LLC.

"**Affiliated Lender**" shall mean a Lender that is the Sponsor or any Affiliate thereof (other than Holdings, the Borrower, any Subsidiary of Holdings, or any Affiliated Institutional Lender).

"**Agent Parties**" shall have the meaning provided in Section 13.17(b).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent and each Joint Lead Arranger and Bookrunner.

"**Agreement**" shall mean this First Amended and Restated ABL Credit Agreement.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"**Applicable Margin**" shall mean, for any day, with respect to all Revolving Credit Loans, the applicable rate per annum set forth below, based upon the Average Excess Availability as of the most recent Adjustment Date occurring after the first fiscal quarter ending after the Restatement Effective Date; provided that until the first Adjustment Date, the "Applicable Margin" shall be the applicable rate per annum set forth below in Category 2:

Category	Average Excess Availability	Adjusted LIBOR Rate Revolving Credit Loans	ABR Rate Revolving Credit Loans
1	Average Excess Availability less than or equal to 33.3% of the Maximum Borrowing Amount	1.75%	0.75%
2	Average Excess Availability greater than 33.3% of the Maximum Borrowing Amount, but less than or equal to 66.6% of the Maximum Borrowing Amount	1.50%	0.50%
3	Average Excess Availability greater than 66.6% of the Maximum Borrowing Amount	1.25%	0.25%

The Applicable Margin shall be adjusted quarterly on a prospective basis on each Adjustment Date based upon the Average Excess Availability in accordance with the table above; provided that (i) if a Specified Default shall have occurred and be continuing at the time any reduction in the Applicable Margin would otherwise be implemented, then no such reduction shall be implemented until the date on which such Specified Default shall no longer be continuing, and (ii) if any Borrowing Base Certificate delivered pursuant to this Agreement is at any time restated or otherwise revised, or if the information set forth in any such Borrowing Base Certificate otherwise proves to be false or incorrect such that the Applicable Margin would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be recalculated by the Administrative Agent at such higher rate for any applicable periods and shall be due and payable within 5 Business Days of receipt of such calculation by the Borrower from the Administrative Agent and shall be payable only to the Lenders whose Commitments were outstanding during such period when the Applicable Margin should have been higher (regardless of whether such Lenders remain parties to this Agreement at the time such payment is made).

Notwithstanding the foregoing, the Applicable Margin in respect of any Class of Incremental Commitments or any Incremental Revolving Credit Loans made pursuant to any Incremental Commitments shall be the applicable percentages per annum set forth in the relevant Incremental Facility Amendment.

"**Approved Foreign Bank**" shall have the meaning provided in the definition of "Cash Equivalents".

"**Approved Fund**" shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"**Asset Sale**" shall mean:

(i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback (other than a Permitted Sale Leaseback)) (each a "**disposition**") of the Borrower or any Restricted Subsidiary, or

(ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred stock of Restricted Subsidiaries issued in compliance with Section 10.1), whether in a single transaction or a series of related transactions,

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, worn out or surplus property or property (including leasehold property interests) that is no longer economically practical in its business or commercially desirable to maintain or no longer used or useful equipment in the ordinary course of business or any disposition of inventory, immaterial assets, or goods (or other assets) in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 10.3;

(c) the incurrence of Liens that are permitted to be incurred pursuant to Section 10.2 or the making of any Restricted Payment or Permitted Investment (other than pursuant to clause (i) of the definition thereof) that is permitted to be made, and is made, pursuant to Section 10.5;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate Fair Market Value of less than the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition;

(e) any disposition of property or assets or issuance of securities by (1) a Restricted Subsidiary to the Borrower or (2) by the Borrower or a Restricted Subsidiary to another Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) any issuance, sale or pledge of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;

(h) foreclosures, condemnation, casualty or any similar action on assets (including dispositions in connection therewith);

(i) sales of accounts receivable, or participations therein, and related assets in connection with any Receivables Facility;

(j) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Restatement Effective Date, including Sale Leasebacks and asset securitizations permitted by this Agreement;

(k) (1) any surrender or waiver of contractual rights or the settlement, release, or surrender of contractual rights or other litigation claims, (2) the termination or collapse of cost sharing agreements with the Borrower or any Subsidiary and the settlement of any crossing payments in connection therewith, or (3) the settlement, discount, write off, forgiveness, or cancellation of any Indebtedness owing by any present or former consultants, directors, officers, or employees of the Borrower (or any direct or indirect parent company of the Borrower) or any Subsidiary or any of their successors or assigns;

(l) the disposition or discount of inventory, accounts receivable, or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(m) the licensing, cross-licensing or sub-licensing of Intellectual Property or other general intangibles (whether pursuant to franchise agreements or otherwise) in the ordinary course of business;

(n) the unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;

(o) sales, transfers, and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(p) the lapse or abandonment of Intellectual Property rights, which in the reasonable business judgment of the Borrower are not material to the conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole;

(q) the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(r) dispositions of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased or (2) the proceeds of such Asset Sale are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

(s) leases, assignments, subleases, licenses, or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Restricted Subsidiaries, taken as a whole;

(t) dispositions of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted hereunder;

(u) the lease, assignment, sub-lease, license or sub-license of, or any transfer related to a "reverse build to suit" or similar transaction in respect of, any real or personal property in the ordinary course of business;

(v) other Asset Sales with a Fair Market Value less than or equal to $75,000,000 in the aggregate; and

(w) dispositions of assets that do not constitute ABL Priority Collateral.

"**Assignment and Acceptance**" shall mean an assignment and acceptance substantially in the form of Exhibit F, or such other form as may be approved by the Administrative Agent.

"**Assignment Taxes**" shall have the meaning provided in the definition of "Other Taxes".

"**Assumed Tax Rate**" shall mean, for each taxable year, the highest combined marginal federal, state and local income (including under Sections 1401 through 1403 and Section 1411 of the Code) tax rate applicable for such tax year to an individual or corporation that is resident in New York City (whichever is higher), applicable to the character of net taxable income (e.g. ordinary income, qualified dividend income or capital gains, as appropriate), taking into account the holding period of the assets disposed of, and taking into account the deductibility of state and local income taxes as applicable at the time for federal income tax purposes and any limitations thereon including pursuant to Section 68 of the Code.

"**Authorized Officer**" shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer), the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Controller, the Vice President-Finance, a Senior Vice President, an Executive Vice President, a Director, a Manager, the Secretary, the Assistant Secretary or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person.

"**Auto-Extension Letter of Credit**" shall have the meaning provided in Section 3.2(d).

"**Available Amount"** shall have the meaning provided in Section 10.5(a)(4)(iii).

"**Available Commitment**" shall mean an amount equal to the excess, if any, of (i) the amount of the Total Revolving Credit Commitment over (ii) the sum of the aggregate principal amount of (a) all Revolving Credit Loans then outstanding and (b) the aggregate Letters of Credit Outstanding at such time.

"**Average Excess Availability**" shall mean, at any Adjustment Date, the average daily Excess Availability for the fiscal quarter immediately preceding such Adjustment Date.

"**Bank Product**" shall mean any of the following products, services or facilities provided to any Credit Party (a) products under each Hedge Agreement that (i) is in effect on the Restatement Effective Date with a counterparty that is an Agent, Lender or Affiliate thereof as of the Restatement Effective Date or (ii) is entered into after the Restatement Effective Date with any counterparty that is an Agent, Lender or Affiliate at the time such Hedge Agreement is entered into, (b) Cash Management Services, or (c) other banking products or services as may be requested by any Credit Party or Subsidiary, other than Letters of Credit, and provided by a Person that is an Agent, Lender or Affiliate on the date the agreement giving rise to such banking products or services are entered into.

"**Bank Product Debt**" shall mean Indebtedness and other obligations or liabilities of a Credit Party owed to the provider of a Bank Product.

"**Bank Product Reserve**" shall mean the aggregate amount of reserves established by the Administrative Agent from time to time in respect of Secured Bank Product Obligations, including reserves which the Administrative Agent shall establish in the amounts set forth in written notices from the Secured Bank Product Providers described in the definition of the term "Secured Bank Product Obligations". The amount of any Bank Product Reserve established by the Administrative Agent (x) shall have a reasonable relationship to the Secured Bank Product Obligation that is the basis for such Reserve as determined by the Administrative Agent in good faith and (y) shall not be duplicative of other Reserves then in effect.

"**Bankruptcy Code**" shall have the meaning provided in Section 11.5.

"**Benefited Lender**" shall have the meaning provided in Section 13.8(a).

"**Blocked Account Agreement**" shall have the meaning provided in Section 9.17(a).

"**Blocked Accounts**" shall have the meaning provided in Section 9.17(a).

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

"**Borrower**" shall have the meaning provided in the preamble to this Agreement.

"**Borrower Materials**" shall have the meaning provided in Section 13.17(b).

"**Borrowing**" shall mean (i) Loans of the same Class and Type, made, converted, or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect or (ii) a Swingline Loan.

"**Borrowing Base**" shall mean, at any time of calculation, an amount equal to:

(a) 90% of the face amount of the Eligible Credit Card Receivables of the Credit Parties on a consolidated basis; plus

(b) 90% of the NOLV Percentage of the Eligible Inventory of the Credit Parties on a consolidated basis; minus

(c) the then applicable amount of all Reserves.

"**Borrowing Base Certificate**" shall mean a certificate, signed and certified as accurate and complete by the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower, in substantially the form of Exhibit N or another form which is acceptable to the Administrative Agent in its reasonable discretion.

"**Business Day**" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close, and, if such day relates to any interest rate settings as to a LIBOR Loan, any fundings, disbursements, settlements, and payments in respect of any such LIBOR Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the applicable London interbank market.

"**Call Date**" shall mean, with respect to an Account, the date on which the applicable service is provided.

"**Capital Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant, or equipment reflected in the consolidated balance sheet of the Borrower and the Restricted Subsidiaries (including capitalized software expenditures, website development costs, website content development costs, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs).

"**Capital Lease**" shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person, subject to Section 1.12.

"**Capital Stock**" shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that "cash-settled phantom appreciation programs" in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock).

"**Capitalized Lease Obligation**" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP, subject to Section 1.12.

"**Capitalized Software Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Borrower and the Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries.

"**Cash Collateral**" shall have a meaning correlative to the immediately succeeding paragraph and shall include the proceeds of such cash collateral and other credit support.

"**Cash Collateralize**" shall mean to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Letter of Credit Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the Letter of Credit Issuers shall agree in their sole discretion, other credit support. "**Cash Collateralization**" has a correlative meaning.

"**Cash Dominion Period**" shall mean (a) the period from the date that Excess Availability is less than the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $40,000,000 for five (5) consecutive Business Days until the date that Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $40,000,000 for twenty (20) consecutive calendar days or (b) upon the occurrence of a Specified Default, the period that such Specified Default shall be continuing.

"**Cash Equivalents**" shall mean:

(i) Dollars,

(ii) (a) Euro, Pounds Sterling, Yen, Swiss Francs, Canadian Dollars, or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business,

(iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition,

(iv) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $100,000,000,

(v) repurchase obligations for underlying securities of the types described in clauses (iii), (iv), and (ix) entered into with any financial institution meeting the qualifications specified in clause (iv) above,

(vi) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof,

(vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof,

(viii) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition,

(ix) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition,

(x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "**Approved Foreign Bank**"), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

(xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies, and

(xii) investment funds investing 90% of their assets in securities of the types described in clauses (i) through (ix) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; provided that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Credit Documents regardless of the treatment of such items under GAAP.

"**Cash Management Agreement**" shall mean any agreement or arrangement to provide Cash Management Services.

"**Cash Management Bank**" shall mean any Person that, at the time it enters into a Cash Management Agreement with the Borrower or any Restricted Subsidiary, is an Agent or a Lender or an Affiliate of an Agent or a Lender or (ii) any Person that is designated by the Borrower as a "Cash Management Bank" by written notice to the Administrative Agent substantially in the form of Exhibit L-2 or such other form reasonably acceptable to the Administrative Agent.

"**Cash Management Services**" shall mean any one or more of the following types of services or facilities provided to any Credit Party by any Person who on the date of the agreement giving rise thereto is entered into is an Agent or a Lender or an Affiliate of an Agent or a Lender (a) ACH transactions; (b) cash management services, including, without limitation, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services; (c) foreign exchange facilities; (d) credit card processing services; (e) purchase cards; and (f) credit or debit cards.

"**CFC**" shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"**CFC Holding Company**" shall mean a Domestic Subsidiary of the Borrower substantially all of the assets of which consist of equity of one or more Foreign Subsidiaries that are CFCs.

"**Change in Law**" shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Restatement Effective Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the Restatement Effective Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Restatement Effective Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law), including, for avoidance of doubt any such adoption, change or compliance in respect of (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or foreign regulatory authorities pursuant to Basel III in each case, regardless of the date enacted, adopted or issued.

"**Change of Control**" shall mean and be deemed to have occurred if (i) at any time prior to an IPO of Holdings or any Parent Entity, the Permitted Holders shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Holdings; (ii) any Person, entity, or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), other than the Permitted Holders, shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Holdings that exceeds 35% thereof, unless, in case of clause (i) or clause (ii) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of directors of Holdings; (iii) at any time, a Change of Control (as defined in the Term Loan Credit Agreement) shall have occurred; or (iv) Holdings shall cease to beneficially own, directly or indirectly, 100% of the issued and outstanding equity interests of the Borrower. For the purpose of clauses (i) and (ii) and (iv) at any time when a majority of the outstanding Voting Stock of Holdings is directly or indirectly owned by a Parent Entity or, if applicable, a Parent Entity acts as the manager, managing member or general partner of Holdings, references in this definition to "Holdings" shall be deemed to refer to the ultimate Parent Entity that directly or indirectly owns such Voting Stock or acts as (or, if applicable, is a Parent Entity that directly or indirectly owns a majority of the outstanding Voting Stock of) such manager, managing member or general partner. For purposes of this definition, (i) "beneficial ownership" shall be as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act, (ii) the phrase Person or "group" is within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and (iii) if any Person or "group" includes one or more Permitted Holders, the issued and outstanding Equity Interests of Holdings or the Borrower, as applicable, directly or indirectly owned by the Permitted Holders that are part of such Person or "group" shall not be treated as being owned by such Person or "group" for purposes of determining whether clause (ii) of this definition is triggered.

"**Chattel Paper**" has the meaning provided in the Security Agreement.

"**Claims**" has the meaning provided in the definition of "Environmental Claims".

"**Class**" (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Revolving Credit Loans, Incremental Revolving Credit Loans or Swingline Loans, and (ii) when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment or an Incremental Commitment.

"**Closing Date**" shall mean August 3, 2011.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean all property pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property.

"**Collateral Agent**" shall mean JPMorgan Chase Bank, N.A., as collateral agent under the Security Documents, or any successor collateral agent pursuant to Section 12.9, and any Affiliate or designee of JPMorgan Chase Bank, N.A. may act as the Collateral Agent under any Credit Document.

"**Commercial Letter of Credit**" shall mean any Letter of Credit or, with respect to Secured Commercial LC Facilities, any letter of credit, in each case issued for the purpose of providing the primary payment mechanism or credit support in connection with the purchase of any materials, goods or services by the Borrower in the ordinary course of business.

"**Commitment Fee**" shall have the meaning provided in Section 4.1(a).

"**Commitment Fee Rate**" shall mean a rate per annum equal to 0.25%.

"**Commitments**" shall mean, with respect to each Lender (to the extent applicable), such Lender's Revolving Credit Commitment or Incremental Commitment.

"**Commodity Exchange Act**" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Communications**" shall have the meaning provided in Section 13.17(a).

"**Compliance Certificate**" shall mean a certificate of a responsible financial or accounting officer of the Borrower delivered pursuant to Section 9.1(d) for the applicable Test Period.

"**Compliance Period**" shall mean any period beginning on the date that Excess Availability is less than the greater of (a) 10% of the Maximum Borrowing Amount and (b) $40,000,000, until the date that Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $40,000,000 for twenty (20) consecutive calendar days.

"**Confidential Information**" shall have the meaning provided in Section 13.16.

"**Consolidated Depreciation and Amortization Expense**" shall mean with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, with respect to any Person and its Restricted Subsidiaries on a consolidated basis for any period, the Consolidated Net Income of such Person for such period:

(i) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and

foreign withholding taxes of such Person paid or accrued during such period deducted, including any penalties and interest related to such taxes or arising from any tax examinations (and not added back) in computing Consolidated Net Income and any payments to any direct or indirect parent in respect of such taxes, *plus*

(b) Fixed Charges of such Person for such period (including (1) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of Consolidated Interest Expense and any non-cash interest expense, in each case to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income, *plus*

(d) any expenses, fees, charges, or losses (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, Restricted Payment, acquisition, disposition, recapitalization, or the incurrence of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful and including any such transaction consummated prior to the Restatement Effective Date), including (1) such fees, expenses, or charges related to the incurrence of the Term Loans and the Loans hereunder and all Transaction Expenses, (2) such fees, expenses, or charges related to the offering of the Credit Documents and any other credit facilities, and (3) any amendment or other modification of the Term Loans, the Loans hereunder or other Indebtedness, and, in each case, deducted (and not added back) in computing Consolidated Net Income, *plus*

(e) any other non-cash charges, including any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any net income (loss) attributable to non-controlling interests in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of management, monitoring, consulting, and advisory fees (including termination fees) and related indemnities and expenses paid or accrued in such period to the Initial Investors or any of their respective Affiliates, *plus*

(h) costs of surety bonds incurred in such period in connection with financing activities, *plus*

(i) the amount of reasonably identifiable and factually supportable "run-rate" cost savings, operating expense reductions, and other synergies that are projected by the Borrower in good faith to result from actions either taken or expected to be taken within 24 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period), *plus*

(j) the amount of loss or discount on sale of receivables and related assets to the Receivables Subsidiary in connection with a Receivables Facility, *plus*

(k) any costs or expense incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Equity Interests of the Borrower (other than Disqualified Stock), *plus*

(l) the amount of expenses relating to payments made to option, phantom equity or profits interest holders of the Borrower or any of its any direct or indirect subsidiaries or parent companies in connection with, or as a result of, any distribution being made to equity holders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option, phantom equity or profits interest holders as though they were equity holders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement and expenses relating to distributions made to equity holders of such Person or its direct or indirect parent companies resulting from the application of Financial Accounting Standards Codification Topic 718— Compensation – Stock Compensation (formerly Financial Accounting Standards Board Statement No. 123 (Revised 2004)), *plus*

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Borrower's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(n) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (2) below for any previous period and not added back, *plus*

(o) to the extent not already included in the Consolidated Net Income, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption, *plus*

(p) [reserved],

(q) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits, and any other items of a similar nature, *plus*

(r) [reserved],

(s) the amount of any loss attributable to a new store, distribution center, facility or business until the date that is 24 months after the date of commencement of construction or the date of acquisition or launch thereof, as the case may be; provided that (A) such losses are reasonably identifiable and factually supportable and certified by a responsible officer of the Borrower, (B) losses attributable to such store, distribution center, facility or business after 24 months from the date of commencement of construction or the date of acquisition of such store,

distribution center or facility, as the case may be, shall not be included in this clause (s), and (C) no amounts shall be added pursuant to this clause (s) to the extent duplicative of any expenses or charges relating to such cost savings or revenue enhancements that are included in clause (i) above with respect to such period, and;

(ii) decreased by (without duplication), (a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period other than non-cash gains relating to the application of Financial Accounting Standards Codification Topic 840—*Leases* (formerly Financial Accounting Standards Board Statement No. 13); provided that, to the extent non-cash gains are deducted pursuant to this clause (ii)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, and (b) the amount of membership revenue recognized for such period in excess of the amount of any cash received in such period in respect of membership program fees, *plus*;

(iii) increased or decreased by (without duplication):

(a) any net gain or loss resulting in such period from currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items, plus or minus, as the case may be, and

(b) any net gain or loss resulting in such period from Hedging Obligations, and the application of Financial Accounting Standards Codification Topic 815—Derivatives and Hedging (ASC 815) (formerly Financing Accounting Standards Board Statement No. 133), and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP.

For the avoidance of doubt:

(i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP,

(ii) there shall be included in determining Consolidated EBITDA for any period, without duplication, (1) the Acquired EBITDA of any Person or business, or attributable to any property or asset acquired by the Borrower or any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any assets or property, in each case to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned, or otherwise disposed by the Borrower or such Restricted Subsidiary during such period (each such Person, business, property, or asset acquired and not subsequently so disposed of, an "**Acquired Entity or Business**") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "**Converted Restricted Subsidiary**"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (2) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition); and

(iii) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business, or asset sold, transferred, abandoned, or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business, or asset so sold or disposed of, a "**Sold Entity or Business**"), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "**Converted**

Unrestricted Subsidiary") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer, or disposition or conversion); provided that for the avoidance of doubt, notwithstanding any classification under GAAP of any Person or business in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, the Disposed EBITDA of such Person or business shall not be excluded pursuant to this paragraph until such disposition shall have been consummated.

"**Consolidated Interest Expense**" shall mean the sum of (1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income of such Person and its Restricted Subsidiaries with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under hedging agreements, plus (2) non-cash interest expense resulting solely from (x) the net amortization of original issue discount and original issuance premium from the issuance of Indebtedness of such Person and its Restricted Subsidiaries (excluding any Indebtedness borrowed under the Term Loan Facility or this Agreement in connection with the Transactions), plus (y) pay-in-kind interest expense of such Person and its Restricted Subsidiaries but excluding, for the avoidance of doubt, (a) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest other than referred to in clause (2) above (including as a result of the effects of acquisition method accounting or pushdown accounting), (b) non-cash interest expense attributable to the movement of the mark-to-market valuation of Indebtedness or obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification Topic 815 —Derivatives and Hedging, (c) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, (d) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Permitted Receivables Financing, (e) any "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (f) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including, without limitation, any Indebtedness issued in connection with the Transactions, (g) penalties and interest relating to taxes, (h) accretion or accrual of discounted liabilities not constituting Indebtedness, (i) interest expense attributable to a direct or indirect parent entity resulting from push-down accounting, (j) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, and (k) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to the Transactions, any acquisition or Investment permitted hereunder, all as calculated on a consolidated basis.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"**Consolidated Net Income**" shall mean, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and on an after-tax basis to the extent appropriate, and otherwise determined in accordance with GAAP; provided that, without duplication,

(i) extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non-recurring or unusual items), severance, relocation costs, integration and facilities' or bases' opening costs and other business optimization expenses (including related to new product introductions and other strategic or cost savings initiatives), restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, other executive recruiting and retention costs, transition costs, costs related to closure/consolidation of facilities or bases and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments), shall be excluded,

(ii) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period, shall be excluded,

(iii) any gain (loss) (less all fees and expenses relating thereto) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business) or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of), shall be excluded,

(iv) any effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors of the Borrower, shall be excluded,

(v) the Net Income for such period of any Person that is not the Borrower or a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; provided that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period, shall be excluded,

(v) [reserved],

(vii) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by Financial Accounting Standards Codification Topic 805—Business Combinations and Topic 350—Intangibles—Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition that is consummated after the Restatement Effective Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(viii) (a) any effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and to Hedging Obligations pursuant to ASC 815 (or such successor provision), and (c) any non-cash expense, income, or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to GAAP, shall be excluded,

(ix) any impairment charge, asset write-off, or write-down pursuant to ASC 350 and Financial Accounting Standards Codification Topic 360—Impairment and Disposal of Long-Lived Assets (ASC 360) (formerly Financial Accounting Standards Board Statement No. 144) and the amortization of intangibles arising pursuant to ASC 805 shall be excluded,

(x) (a) any non-cash compensation expense recorded from or in connection with any share-based compensation arrangements including stock appreciation or similar rights, phantom equity, stock options, restricted stock, capital or profits interests or other rights to officers, directors, managers, or employees and (b) non-cash income (loss) attributable to deferred compensation plans or trusts, shall be excluded,

(xi) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Sale, issuance, or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Restatement Effective Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(xii) accruals and reserves (including contingent liabilities) that are established or adjusted within twelve months after the Restatement Effective Date that are so required to be established as a result of the Transactions in accordance with GAAP, or changes as a result of adoption or modification of accounting policies, shall be excluded,

(xiii) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded,

(xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,

(xv) any costs or expenses incurred during such period relating to environmental remediation, litigation, or other disputes in respect of events and exposures that occurred prior to the Restatement Effective Date shall be excluded,

(xvi) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs shall be excluded, and

(xvii) any amounts paid pursuant to clause (15) of Section 10.5(b) other than subclause (E)(ii) thereof that are used to fund payments that, if paid by the Borrower would have reduced Net Income, shall be included to reduce Net Income.

"**Consolidated Total Assets**" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"**Consolidated Total Debt**" shall mean, as at any date of determination, an amount equal to the sum of the aggregate amount of all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); provided that (i) Consolidated Total Debt shall not include Letters of Credit, except to the extent of Unpaid Drawings thereunder and (ii) the amount of any Indebtedness outstanding hereunder on any date shall be deemed to be the average daily amount of such Indebtedness thereunder for the most recent twelve month period ending on such date (and for any period ending prior to the one year anniversary of the Restatement Effective Date, the average daily amount outstanding thereunder during such period).

"**Consolidated Total Debt to Consolidated EBITDA Ratio**" shall mean, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries to (ii) Consolidated EBITDA of the Borrower for the Test Period most recently ended on or prior to such date of determination, in each case with such pro forma adjustments to Consolidated Total Debt and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio".

"**Contingent Obligations**" shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other payment obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Contractual Requirement**" shall have the meaning provided in Section 8.3.

"**Converted Restricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Converted Unrestricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Credit Documents**" shall mean this Agreement, each Incremental Facility Amendment, the Guarantees, the Security Documents, and any promissory notes issued by the Borrower pursuant hereto.

"**Credit Event**" shall mean and include the making (but not the conversion or continuation) of a Loan and the issuance of a Letter of Credit.

"**Credit Facilities**" shall mean, collectively, each category of Commitments and each extension of credit hereunder.

"**Credit Facility**" shall mean a category of Commitments and extensions of credit thereunder.

"**Credit Party**" shall mean Holdings, the Borrower and the other Guarantors.

"**Cure Amount**" shall have the meaning provided in Section 11.13.

"**Cure Period"** shall have the meaning provided in Section 11.3.

"**Cure Right**" shall have the meaning provided in Section 11.13.

"**Customs Broker Agreement**" shall mean an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among a Credit Party, a customs broker or other carrier and the Administrative Agent, in which the customs broker or other carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory or other property for the benefit of the Administrative Agent, and agrees, upon notice from the Administrative Agent, to hold and dispose of the subject Inventory and other property solely as directed by the Administrative Agent.

"**DDAs**" shall mean any checking or other demand deposit account maintained by any of the Credit Parties that is a primary concentration account.

"**Default**" shall mean any event, act, or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"**Default Rate**" shall have the meaning provided in Section 2.8(c).

"**Defaulting Lender**" shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of Lender Default.

"**Delaware Intermediate Holdcos**" means New Academy Finance Company LLC, a Delaware limited liability company, and New Academy Finance Corporation, a Delaware corporation.

"**Deposit Account**" shall have the meaning provided in the Uniform Commercial Code in the state of New York.

"**Designated Disbursement Account**" shall have the meaning provided in Section 9.17(d).

"**Designated Non-Cash Consideration**" shall mean the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation, executed by either a senior vice president or the principal financial officer of the Borrower, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 10.4.

"**Designated Preferred Stock**" shall mean preferred stock of the Borrower or any direct or indirect parent company of the Borrower (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an officer's certificate executed by the principal financial officer of the Borrower or parent company thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (iii) of Section 10.5(a).

"**Disposed EBITDA**" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its respective Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary, as the case may be.

"**disposition**" shall have the meaning assigned such term in clause (i) of the definition of "Asset Sale".

"**Distressed Person**" " shall have the meaning provided in the definition of "Lender Related Distress Event".

"**Disqualified Lenders**" shall mean such Persons (i) that have been specified in writing to the Administrative Agent and the Joint Lead Arrangers and Bookrunners prior to the commencement of "primary syndication" as being Disqualified Lenders, (ii) who are competitors of the Borrower and its Subsidiaries that are separately identified in writing by the Borrower to the Administrative Agent from time to time, and (iii) in the case of each of clauses (i) and (ii), any of their Affiliates (other than any such Affiliate that is affiliated with a financial investor in such Person and that is not itself an operating company or otherwise an Affiliate of an operating company so long as such Affiliate is a bona fide Fund) that are either (a) identified in writing by the Borrower to the Administrative Agent from time to time or (b) clearly identifiable on the basis of such Affiliate's name. Notwithstanding the foregoing, each Credit Party and the Lenders acknowledge and agree that the Administrative Agent shall not have any responsibility or obligation to determine whether any Lender or potential Lender is a Disqualified Lender and the Administrative Agent shall have no liability with respect to any assignment made to a Disqualified Lender.

"**Disqualified Stock**" shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, in whole or in part, in each case, prior to the date that is 91 days after the Latest Maturity Date hereunder; provided that if such Capital

Stock is issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death, or disability.

"**Dollars**" and "**$**" shall mean dollars in lawful currency of the United States.

"**Domestic Subsidiary**" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

"**Eligible Credit Card Receivables**" shall mean, as of any date of determination, Accounts due to a Credit Party from major credit card processors (including, but not limited to, VISA, Mastercard, American Express, Diners Club and DiscoverCard) as arise in the ordinary course of business and which have been earned by performance, that are not excluded as ineligible by virtue of one or more of the criteria set forth below. None of the following shall be deemed to be Eligible Credit Card Receivables:

(a) Accounts due from major credit card processors that have been outstanding for more than five Business Days from the date of sale or for such longer period as may be approved by the Administrative Agent;

(b) Accounts due from major credit card processors with respect to which a Credit Party does not have good, valid and marketable title thereto;

(c) Accounts due from major credit card processors that are not subject to a first priority security interest in favor of the Administrative Agent for its own benefit and the benefit of the other Secured Parties;

(d) Accounts due from major credit card processors which are disputed, or with respect to which a claim, counterclaim, offset or chargeback has been asserted, by the related credit card processor (but only to the extent of such dispute, counterclaim, offset or chargeback) (it being the intent that chargebacks in the ordinary course by the credit card processors shall not be deemed violative of this clause); or

(f) Accounts due from major credit card processors (other than Visa, Mastercard, American Express, Diners Club and Discover) which the Administrative Agent determines in its commercially reasonable discretion acting in good faith to be unlikely to be collected.

"**Eligible In-Transit Inventory**" shall mean, as of any date of determination, without duplication of other Eligible Inventory, Inventory (a) (i) that has been delivered to a carrier in a foreign port or foreign airport for receipt by a Credit Party in the United States within sixty (60) days of the date of determination, but which has not yet been received by a Credit Party or (ii) that has been delivered to a carrier in the United States for receipt by a Credit Party in the United States within five (5) Business Days of the date of determination, but which has not yet been received by a Credit Party, (b) for which the purchase order is in the name of a Credit Party and title has passed to a Credit Party, (c) except as otherwise agreed by the Administrative Agent, for which the document of title or waybill reflects a Credit Party as consignee (along with delivery to a Credit Party or its customs broker of the documents of title, to the extent applicable, with respect thereto), (d) as to which the Administrative Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory (such as by the delivery of a Customs Broker Agreement), (e) that is insured in accordance with the provisions of this Agreement and the other Credit Documents, including, without limitation marine cargo insurance and (f) that otherwise is not excluded from the definition of "Eligible Inventory"; provided that the Administrative Agent may, upon notice to the Borrower, exclude any particular Inventory from the definition of "Eligible In-Transit Inventory" in the event that the Administrative Agent determines that such Inventory is subject to any Person's right or claim which is (or is capable of being) senior to, or *pari passu* with, the Lien of the Administrative Agent, or may otherwise adversely impact the ability of the Administrative Agent to realize upon such Inventory; provided further that, as of any date of determination, the aggregate NOLV Percentage of Eligible In-Transit Inventory and Eligible Letter of Credit Inventory shall not exceed 20% of the Borrowing Base.

"**Eligible Inventory**" shall mean, as of any date of determination, without duplication, (1) Eligible Letter of Credit Inventory and Eligible In-Transit Inventory and (2) Inventory comprised of finished goods, merchantable and readily saleable to the public in the ordinary course, in each case that are not excluded as ineligible by virtue of the one or more of the criteria set forth below. None of the following shall be deemed to be Eligible Inventory:

(a) Inventory that is not solely owned by a Credit Party, or is leased by or is on consignment to a Credit Party, or as to which the Credit Parties do not have title thereto;

(b) Inventory (other than any Eligible Letter of Credit Inventory and Eligible In-Transit Inventory) that is not located in the United States of America (or any territories or possessions thereof);

(c) Inventory (other than any Eligible Letter of Credit Inventory and Eligible In-Transit Inventory) that is not located at a location that is owned or leased by a Credit Party, except to the extent that (i) the Borrower has furnished the Administrative Agent with a landlord's lien waiver and collateral access agreement reasonably acceptable to the Administrative Agent executed by the applicable bailee or (ii) in the event that the Borrower has not furnished the landlord's lien waiver (if applicable) and collateral access agreement contemplated in the foregoing clause (i) after using commercially reasonable efforts to do so, an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion in an amount of up to three months of the rent or other charges due with respect to such bailee;

(d) Inventory that is located at a distribution center, retail store or other location that is leased by a Credit Party, except to the extent that (i) an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion in an amount of up to three months of the rent due with respect to such distribution center, retail store or other location or (ii) the Borrower has furnished the Administrative Agent with a landlord's lien waiver and collateral access agreement on terms reasonably acceptable to the Administrative Agent executed by the Person owning any such distribution center, retail store or other location (it being understood that in any jurisdiction providing for a common law or statutory landlord's lien on the personal property of tenants, which lien would be superior to that of the Administrative Agent, the Borrower will use commercially reasonable efforts to provide such documentation);

(e) Inventory that represents goods that (i) are obsolete, damaged, defective, "seconds," classified by the Credit Parties as salvage or aged Inventory, or otherwise unmerchantable, (ii) are classified by the Credit Parties as awaiting, or are otherwise being held for, quality control inspection, (iii) are to be returned to the vendor, (iv) are work in process or that constitute spare parts or supplies used or consumed in a Credit Parties' business, (v) are bill and hold goods or (vi) are not in compliance in all material respects with all standards imposed by any Governmental Authority having regulatory authority with respect thereto;

(f) except as otherwise agreed by the Administrative Agent, Inventory that represents goods that do not conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Documents;

(g) Inventory that is not subject to a perfected first priority security interest in favor of the Administrative Agent, for its own benefit and the benefit of the other Secured Parties;

(h) Inventory that constitutes packaging and shipping material, manufacturing supplies, display items, bill-and-hold goods, returned or repossessed goods (other than goods that are undamaged and able to be resold in the ordinary course of business), defective goods, unfinished goods, goods held on consignment, goods to be returned to a Credit Party's suppliers or goods which are not of a type held for sale in the ordinary course of business;

(i) Inventory as to which casualty insurance in compliance with the provisions of Section 9.3 is not in effect;

(j) Inventory which has been sold but not yet delivered or Inventory to the extent that any Credit Party has accepted a deposit therefor; or

(k) Inventory acquired in a Permitted Acquisition, unless the Administrative Agent shall have received or conducted (i) appraisals, from appraisers reasonably satisfactory to the Administrative Agent, of such Inventory to be acquired in such Permitted Acquisition and (ii) such other due diligence as the Administrative Agent may reasonably require, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent.

"**Eligible Letter of Credit Inventory**" shall mean, as of any date of determination (without duplication of other Eligible Inventory), Inventory:

(a) (i) that has been delivered to a carrier in a foreign port or foreign airport for receipt by a Credit Party in the United States within sixty (60) days of the date of determination, but that has not yet been received by a Credit Party, or (ii) that has been delivered to a carrier in the United States for receipt by a Credit Party in the United States within five (5) Business Days of the date of determination, but which has not yet been received by a Credit Party;

(b) the purchase order for which is in the name of a Credit Party, title has passed to a Credit Party and the purchase of which is supported by a Commercial Letter of Credit issued under either this Agreement or a Secured Commercial LC Facility having an initial expiry, subject to the proviso hereto, within 120 days after the date of initial issuance of such Commercial Letter of Credit; provided that ninety percent (90%) of the maximum Stated Amount all such Commercial Letters of Credit shall not, at any time, have an initial expiry greater than ninety (90) days after the original date of issuance of such Commercial Letters of Credit;

(c) for which the document of title or waybill reflects a Credit Party as consignee (along with delivery to a Credit Party or its customs broker of the documents of title, to the extent applicable, with respect thereto);

(d) as to which the Administrative Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory (such as by the delivery of a Customs Broker Agreement);

(e) that is insured in accordance with the provisions of this Agreement and the other Credit Documents, including, without limitation marine cargo insurance; and

(f) that otherwise is not excluded from the definition of "Eligible Inventory";

provided that the Administrative Agent may, upon notice to the Borrower, exclude any particular Inventory from the definition of "Eligible Letter of Credit Inventory" in the event that the Administrative Agent determines that such Inventory is subject to any Person's right or claim which is (or is capable of being) senior to, or pari passu with, the Lien of the Administrative Agent, or may otherwise adversely impact the ability of the Administrative Agent to realize upon such Inventory; provided further that, as of any date of determination, the aggregate amount attributable to Eligible In-Transit Inventory and Eligible Letter of Credit Inventory shall not exceed 20% of the Borrowing Base.

"**Environmental Claims**" shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "**Claims**"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence, Release or threatened Release of Hazardous Materials or arising from

alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands, flora and fauna.

"**Environmental Law**" shall mean any applicable federal, state, foreign, or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or protection of the environment, including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials.

"**Equity Interest**" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"**Equity Offering**" shall mean any public or private sale of common stock or preferred stock of the Borrower, Holdings or any direct or indirect parent company of Holdings (excluding Disqualified Stock), other than: (i) public offerings with respect to the Borrower or any of its direct or indirect parent company's common stock registered on Form S-8, (ii) issuances to any Subsidiary of Holdings or the Borrower, (iii) any such public or private sale that constitutes an Excluded Contribution and (iv) any Cure Amount.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code (and applicable regulations under either) or with the terms of such Plan; (ii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iii) any Reportable Event; (iv) the failure of any Credit Party or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (vi) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (vii) the termination of, or the appointment of a trustee to administer, any Pension Plan under Section 4042 of ERISA or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan (other than for PBGC premiums due but not delinquent under Section 4007 of ERISA), including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (viii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice to terminate any Pension Plan under Section 4041 of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (ix) the failure by any Credit Party or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (x) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a "substantial employer (within the meaning of Section 4001(a)(2) of ERISA), or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or the complete or partial withdrawal (within the meaning of Section 4203 or 4205 of ERISA) from any Multiemployer Plan; (xi) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in Reorganization, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA); or (xii) the failure by any Credit Party or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA.

"**Event of Default**" shall have the meaning provided in Section 11.

"**Excess Availability**" shall mean, at any time, the remainder of (a) the sum, without duplication, of (i) the Maximum Borrowing Amount *plus* (ii) Qualified Cash at such time, *minus* (b) the aggregate Revolving Credit Exposures (including the Letter of Credit Exposure) of all Lenders at such time.

"**Excluded Account**" shall have the meaning given such term in Section 9.17(d).

"**Excluded Contribution**" shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by the Borrower from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower, in each case designated as Excluded Contributions pursuant to an officer's certificate executed by either a senior vice president or the principal financial officer of the Borrower on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, which are excluded from the calculation set forth in clause (iii) of Section 10.5(a); provided that (i) any non-cash assets shall qualify only if acquired by a parent of the Borrower in an arm's-length transaction within the six months prior to such contribution and (ii) no Cure Amount shall constitute an Excluded Contribution.

"**Excluded Property**" shall have the meaning set forth in the Security Agreement.

"**Excluded Stock and Stock Equivalents**" shall mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) solely in the case of any pledge of Capital Stock and Stock Equivalents of any Foreign Subsidiary of a Domestic Subsidiary, any Voting Stock or Stock Equivalents of any class of such Foreign Subsidiary in excess of 66% of the outstanding Voting Stock of such class, (iii) any Capital Stock or Stock Equivalents to the extent the pledge thereof would violate any applicable Requirements of Law (including any legally effective requirement to obtain the consent of any Governmental Authority unless such consent has been obtained), (iv) in the case of (A) any Capital Stock or Stock Equivalents of any Subsidiary to the extent such Capital Stock or Stock Equivalents are subject to a Lien permitted by clause (ix) of the definition of "Permitted Lien" or (B) any Capital Stock or Stock Equivalents of any Subsidiary that is not Wholly-Owned by the Borrower and its Subsidiaries at the time such Subsidiary becomes a Subsidiary, any Capital Stock or Stock Equivalents of each such Subsidiary described in clause (A) or (B) to the extent (I) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (II) any Contractual Requirement prohibits such a pledge without the consent of any other party; provided that this clause (II) shall not apply if (x) such other party is a Credit Party or Wholly-Owned Subsidiary or (y) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (III) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (v) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents would result in materially adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower in consultation with the Administrative Agent, (vi) any Capital Stock or Stock Equivalents that are margin stock, and (vii) any Capital Stock and Stock Equivalents of any Subsidiary that is not a Material Subsidiary or is an Unrestricted Subsidiary, a captive insurance Subsidiary, an SPV or any special purpose entity.

"**Excluded Subsidiary**" shall mean (i) each Subsidiary, in each case, for so long as any such Subsidiary does not (on (x) a consolidated basis with its Restricted Subsidiaries, if determined on the Restatement Effective Date by reference to the Historical Financial Statements or (y) a consolidated basis with its Restricted Subsidiaries, if determined after the Restatement Effective Date by reference to the financial statements delivered to the Administrative Agent pursuant to Section 9.1(a) and (b)) constitute a Material Subsidiary, (ii) each Subsidiary that is not a Wholly-Owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 9.11 (for so long as such Subsidiary remains a non-Wholly-Owned Restricted Subsidiary), (iii) any CFC Holding Company, (iv) any Subsidiary of a Foreign Subsidiary that is a CFC, (v) any Foreign Subsidiary, (vi) each Subsidiary that is prohibited by any applicable Contractual Requirement or Requirements of Law from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), (vii) each Subsidiary with respect to which, as reasonably determined by the Borrower, the consequence of providing a Guarantee of the Obligations would adversely affect the ability of the Borrower and its Subsidiaries to satisfy applicable Requirements of Law, (viii) each Subsidiary with respect to which, as reasonably determined by the Borrower in consultation with the Administrative Agent, providing such a Guarantee would result in material adverse tax consequences, (ix) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, as agreed in writing, the cost or other consequences of providing a Guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom (x) each Unrestricted Subsidiary, (xi) any Receivables Subsidiary, (xii) each other Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder and financed with assumed secured Indebtedness permitted hereunder, and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations and such prohibition was not created in contemplation of such Permitted Acquisition or other Investment permitted hereunder and (xiii) each SPV or not-for-profit Subsidiary.

"**Excluded Swap Obligation**" shall mean, with respect to the Borrower or any Subsidiary Credit Party, (a) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Person of, or the grant by such Person of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) or (b) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Guarantor as specified in any agreement between the relevant Persons and Hedge Bank applicable to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) any Taxes imposed on or measured by such recipient's overall net income, net profits, or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local, or foreign law), and franchise (and similar) Taxes imposed on such recipient (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection between such recipient and such jurisdiction (other than any such connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), (ii) any United States federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any Credit Document that is required to be imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in a Loan or Commitment pursuant to laws in force at the time such Lender (a) acquires such interest in the applicable Commitment or, if such Lender did not fund the applicable Loan pursuant to a prior Commitment, on the date on which such Lender acquires its interest in such Loan or (b) designates a new lending office, other than in the case of a Lender that is an assignee pursuant to a request by the Borrower under Section 13.7 (or that designates a new lending office pursuant to a request by the Borrower), except in each case to the extent that amounts with respect to such withholding Tax pursuant were payable pursuant to Section 5.4 either to

such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before such Lender designated a new lending office,(iii) any Taxes attributable to a recipient's failure to comply with Section 5.4(e), or (iv) any withholding Tax imposed under FATCA.

"**Existing ABL Facility**" shall mean that certain Credit Agreement, dated as of August 3, 2011, by and among the Borrower, certain of the Borrower's subsidiaries, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.

"**Existing Debt Facilities**" shall mean the Existing Term Loan Facility, the Existing ABL Facility, the Existing Finco Notes and the Existing Senior Notes.

"**Existing Letters of Credit**" shall mean each letter of credit existing on the Closing Date and identified on Schedule 1.1(c).

"**Existing Finco Notes**" shall mean New Academy Finance Company LLC's and New Academy Finance Corporation's 9.0%/8.75% Notes due 2018 issued pursuant to an Indenture, dated as of December 13, 2012, among New Academy Finance Company LLC, New Academy Finance Corporation and Wells Fargo Bank, N.A.

"**Existing Senior Notes**" shall mean the Borrower's 9.25% Notes due 2019 issued pursuant to an Indenture, dated as of August 3, 2011, among certain affiliates of the Borrower and Wells Fargo Bank, N.A.

"**Existing Term Loan Facility**" shall mean the Credit Agreement, dated as of August 3, 2011, by and among the Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

"**Expiring Credit Commitment**" shall have the meaning provided in Section 2.1(d).

"**Fair Market Value**" shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code (or any amended or successor version described above), and any intergovernmental agreements (or related legislation or official administrative rules or practices) implementing the foregoing.

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the per annum rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; provided that (i) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"**Fees**" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"**Financed Capital Expenditures**" shall mean, with respect to any Person and for any period, Capital Expenditures made by such Person during such period that are financed with the proceeds of Indebtedness (other than Revolving Loans) or net cash proceeds of any incurrence or issuance of Indebtedness or any issuance of Equity Interests, provided, in each case such net cash proceeds are received substantially contemporaneously with any such Capital Expenditures.

"**First Lien Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit I-1 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, and the representatives for purposes thereof for holders of one or more classes of First Lien Obligations (other than the Obligations).

"**First Lien Obligations**" shall mean the Obligations that are secured by Liens on the Collateral that rank on an equal priority basis (but without regard to the control of remedies) with Liens on the Collateral securing the Obligations.

"**Fixed Charge Coverage Ratio**" shall mean the ratio of (a) (1) Consolidated EBITDA *minus* (2) cash taxes based on income, profits or capital, including federal, foreign, state, franchise, excise and similar taxes (including in respect of repatriated funds), net of cash refunds received, of the Borrower and its Restricted Subsidiaries paid in cash during such Test Period *minus* (3) Capital Expenditures paid in cash during the applicable Test Period (other than Financed Capital Expenditures) to (b) (1) Consolidated Interest Expense *plus* (2) the aggregate amount of scheduled principal payments in respect of long term Consolidated Total Debt of the Borrower and its Restricted Subsidiaries made during such period (other than payments made by the Borrower or any Restricted Subsidiary to the Borrower or a Restricted Subsidiary), all calculated for such period for the Borrower and its Restricted Subsidiaries on a consolidated basis.

"**Fixed Charges**" shall mean, with respect to any Person for any period, the sum of:

(i) Consolidated Interest Expense of such Person and its Restricted Subsidiaries on a consolidated basis for such period,

(ii) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred stock (including any Designated Preferred Stock) or any Refunding Capital Stock of such Person made during such period, and

(iii) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock made during such period.

"**Flood Insurance Laws**" collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"**Foreign Benefit Arrangement**" shall mean any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan**" shall mean each "employee benefit plan" (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan Event**" shall mean, with respect to any Foreign Plan or Foreign Benefit Arrangement, (i) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan or Foreign Benefit Arrangement; (ii) the failure to register or loss of good standing (if applicable) with applicable regulatory authorities of any such Foreign Plan or Foreign Benefit Arrangement required to be registered; or (iii) the failure of any Foreign Plan or Foreign Benefit Arrangement to comply with any provisions of applicable law and regulations or with the terms of such Foreign Plan or Foreign Benefit Arrangement.

"**Foreign Subsidiary**" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fronting Exposure**" shall mean, at any time there is a Defaulting Lender, with respect to the Letter of Credit Issuer, such Defaulting Lender's Revolving Credit Commitment Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"**Fronting Fee**" shall have the meaning provided in Section 4.1(d).

"**Fund**" shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course.

"**GAAP**" shall mean generally accepted accounting principles in the United States, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Furthermore, at any time after the Restatement Effective Date, the Borrower may elect to apply International Financial Reporting Standards ("**IFRS**") accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP and GAAP concepts shall thereafter be construed to refer to IFRS and corresponding IFRS concepts (except as otherwise provided in this Agreement); provided any such election, once made, shall be irrevocable; provided, further, that any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the Borrower's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations.

"**General Intangible**" has the meaning provided in the Security Agreement.

"**Gochman Investors**" shall mean (i) each of David E Gochman and Molly Gochman, (ii) any trust for the direct or indirect benefit of any of the individuals referred to in clause (i) and (iii) any Person more than 50% of the Equity Interests of which is owned or controlled by any of the individuals referred to in clause (i), including MSI 2011 LLC and MG Family Limited Partnership.

"**Governmental Authority**" shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange (including any supranational body exercising such powers or functions, such as the European Union or the European Central Bank).

"**Granting Lender**" shall have the meaning provided in Section 13.6(g).

"**Guarantee**" shall mean (i) the ABL Holdings Guarantee made by Holdings, the Texas Intermediate Holdcos and each other Intermediate Holdco (subject to Section 9.14), substantially in the form of Exhibit B-1, and the Amended and Restated ABL Guarantee made by each other Guarantor, substantially in the form of Exhibit B-2, in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) any other guarantee of the Obligations made by any Subsidiary of Holdings or a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent.

"**guarantee obligations**" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or

otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term guarantee obligations shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Restatement Effective Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Guarantors**" shall mean (i) each Subsidiary of the Borrower that is party to the Guarantee on the Restatement Effective Date, (ii) each Subsidiary of Holdings that becomes a party to the Guarantee after the Restatement Effective Date pursuant to Section 9.11, Section 9.14 or otherwise and (iii) Holdings and the Texas Intermediate Holdcos; provided that in no event shall any Excluded Subsidiary be required to be a Guarantor (unless such Subsidiary is no longer an Excluded Subsidiary).

"**Hazardous Materials**" shall mean (i) any petroleum or petroleum products, radioactive materials, friable asbestos, polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics, by any Environmental Law.

"**Hedge Agreements**" shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedge Bank**" shall mean (i) (a) any Person that, at the time it enters into a Hedge Agreement with the Borrower or any Restricted Subsidiary, is a Lender, an Agent or an Affiliate of a Lender or an Agent and (b) with respect to any Hedge Agreement entered into prior to the Restatement Effective Date, any Person that is a Lender or an Agent or an Affiliate of a Lender or an Agent on the Restatement Effective Date and (ii) any other Person that is designated by the Borrower as a "Hedge Bank" by written notice to the Administrative Agent substantially in the form of Exhibit L-1 or such other form reasonably acceptable to the Administrative Agent.

"**Hedge Termination Value**" shall mean, in respect of any one or more Secured Hedge Obligations, after taking into account the effect of any legally enforceable netting agreement relating to such Secured Hedge Obligations, (a) for any date on or after the date such Secured Hedge Obligations have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) or maximum peak exposure value for such Secured Hedge Obligations, as determined based upon customary industry practices.

"**Hedging Obligations**" shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements.

"**Historical Financial Statements**" shall mean the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal years ended February 2, 2013, February 1, 2014 and January 31, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal years of Holdings and its Subsidiaries, including the notes thereto.

"**Holdings**" shall mean (i) New Academy Holding Company, LLC or (ii) after the Restatement Effective Date, any other Person or Persons ("**New Holdings**") that is a Subsidiary of Holdings or of any Parent Entity of Holdings (or the previous New Holdings, as the case may be) but not the Borrower ("**Previous Holdings**"); provided that (a) such New Holdings directly or indirectly through Intermediate Holdcos owns 100% of the Equity Interests of the Borrower, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (c) if reasonably requested by the Administrative Agent, an opinion of counsel shall be delivered by the Borrower to the Administrative Agent to the effect that, without limitation, such substitution does not violate this Agreement or any other Credit Document, (d) all Capital Stock of the Borrower shall be pledged to secure the Obligations and (e) (i) no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default and (ii) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder); provided, further, that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall be meant to refer to New Holdings.

"**ICC**" shall have the meaning provided in the definition of "UCP".

"**IFRS**" shall have the meaning given to such term in the definition of "GAAP".

"**Impacted Loans**" shall have the meaning provided in Section 2.10(a).

"**Incremental Commitment**" shall have the meaning provided in Section 2.14(a).

"**Incremental Facility Amendment**" shall have the meaning provided in Section 2.14(b)(ii).

"**Incremental Lender**" shall mean, at any time, any bank or other financial institution (including any such bank or financial institution that is a Lender at such time) that agrees to provide any portion of any Incremental Commitment pursuant to an Incremental Facility Amendment in accordance with Section 2.14.

"**Incremental Revolving Credit Loan**" shall mean any loan made pursuant to an Incremental Facility Amendment in accordance with Section 2.14.

"**Incremental Revolving Credit Maturity Date**" shall mean the date on which any tranche of Revolving Credit Loans made pursuant to the Lenders' Incremental Commitments matures.

"**incur**" and "**incurrence**" shall have the meaning provided in Section 10.1.

"**Indebtedness**" shall mean, with respect to any Person, (i) any indebtedness (including principal and premium) of such Person, whether or not contingent (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures, or similar instruments or letters of credit or bankers' acceptances (or, without double counting, reimbursement agreements in respect thereof), (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), or (d) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; provided that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of the Borrower solely by reason of push down accounting under GAAP shall be excluded, (ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in

the ordinary course of business, and (iii) to the extent not otherwise included, the obligations of the type referred to in clause (i) of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person; provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business, (2) obligations under or in respect of Receivables Facilities, (3) prepaid or deferred revenue arising in the ordinary course of business, (4) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (5) any balance that constitutes a trade payable or similar obligation to a trade creditor, accrued in the ordinary course of business, (6) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP, (7) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (8) accrued expenses and royalties or (9) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than 60 days. The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith.

For all purposes hereof, the Indebtedness of the Borrower and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business consistent with past practice.

"**Indemnified Liabilities**" shall have the meaning provided in Section 13.5.

"Indemnified Person" shall have the meaning provided in Section 13.5.

"**Indemnified Taxes**" shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes.

"**Initial Investors**" shall mean Kohlberg Kravis Roberts & Co. L.P. and its Affiliates, but not including, however, any portfolio companies of any of the foregoing.

"**Insolvent**" shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is "insolvent" within the meaning of Section 4245 of ERISA.

"**Intellectual Property**" shall mean U.S. intellectual property, including all (i) (a) patents, inventions, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials, labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, Internet domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and (d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisionals, re-issues, re-examinations, or similar legal protections related to the foregoing.

"**Interest Period**" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"**Intermediate Holdcos**" shall mean the Delaware Intermediate Holdcos, the Texas Intermediate Holdcos and any other Subsidiary of Holdings that becomes a party to the Guarantee in the form of Exhibit B-1 after the Restatement Effective Date pursuant to Section 9.11(y).

"**Inventory**" shall have the meaning assigned to such term in the Security Agreement.

"**Investment**" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding

accounts receivable, trade credit, advances to customers, commission, travel, and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person and investments that are required by GAAP to be classified on the consolidated balance sheet (excluding the footnotes) of the Borrower in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; provided that Investments shall not include, in the case of the Borrower and the Restricted Subsidiaries, intercompany loans (including guarantees), advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

For purposes of the definition of "Unrestricted Subsidiary" and Section 10.5,

(i) Investments shall include the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Borrower's Investment in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Borrower or a Restricted Subsidiary in respect of such Investment (provided that, with respect to amounts received other than in the form of Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration).

"**Investment Grade Rating**" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other rating agency.

"**Investment Grade Securities**" shall mean:

(i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents),

(ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among a the Borrower and its Subsidiaries,

(iii) investments in any fund that invest at least 90% in investments of the type described in clauses (i) and (ii) which fund may also hold immaterial amounts of cash pending investment or distribution, and

(iv) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"**IPO**" shall mean the initial underwritten public offering (other than a public offering pursuant to a registration statement on Form S-8) of common Equity Interests in Holdings or a parent entity of Holdings.

"**IPO Entity**" shall mean, at any time at and after an IPO, Holdings or a parent entity of Holdings, as the case may be, the Equity Interests of which were issued or otherwise sold pursuant to the IPO.

"**IPO Listco**" shall mean a wholly-owned subsidiary of Holdings formed in contemplation of an IPO to become the IPO Entity. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of any IPO Listco.

"**IPO Reorganization Transactions**" shall mean, collectively, the transactions taken in connection with and reasonably related to consummating an IPO, including (a) formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of Holdings, its Subsidiaries and/or IPO Shell Companies implementing IPO Reorganization Transactions and other reorganization transactions in connection with an IPO and (ii) customary underwriting agreements in connection with an IPO and any future follow-on underwritten public offerings of common Equity Interests in the IPO Entity, including the provision by IPO Entity and Holdings of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in Holdings with the surviving entity in any such merger holding Equity Interests in Holdings, and the merger of such entities with any IPO Shell Company or IPO Subsidiary, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of Holdings in connection with any IPO Reorganization Transactions, (e) an exchange agreement, pursuant to which holders of Equity Interests of Holdings will be permitted to exchange such interests for certain economic/voting Equity Interests in IPO Listco, and (f) any tax receivables agreements by any IPO Shell Company or IPO Subsidiary, in each case of clauses (a) through (f), so long as after giving Pro Forma Effect to such agreement and the transactions contemplated thereby, the security interests of the Lenders in the Collateral and the Guarantees of the Obligations, taken as a whole, would not be materially impaired.

"**IPO Shell Company**" shall mean each of IPO Listco and IPO Subsidiary.

"**IPO Subsidiary**" shall mean a wholly-owned subsidiary of IPO Listco formed in contemplation of, and to facilitate, IPO Reorganization Transactions and an IPO. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of an IPO Subsidiary.

"**ISP**" shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"**Issuer Documents**" shall mean with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement, and instrument entered into by the Letter of Credit Issuer and the Borrower (or any other Restricted Subsidiary or Holdings) or in favor of the Letter of Credit Issuer and relating to such Letter of Credit.

"**Joint Lead Arrangers and Bookrunners**" shall mean J.P. Morgan Securities LLC, Barclays Bank PLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley Senior Funding, Inc., Regions Capital Markets, U.S. Bank National Association and Wells Fargo Bank N.A.

"**Junior Debt**" shall mean any Indebtedness (other than any permitted intercompany Indebtedness owing to the Borrower or any Restricted Subsidiary) in respect Subordinated Indebtedness.

"**KKR**" shall mean each of Kohlberg Kravis Roberts & Co. L.P. and KKR 2006 Fund L.P.

"**Last Out Tranche**" shall have the meaning provided in Section 2.14(d).

"**Latest Maturity Date**" shall mean, at any date of determination, the latest maturity or expiration date applicable to any Loan hereunder at such time as extended in accordance with this Agreement from time to time.

"**L/C Borrowing**" shall mean an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

"**L/C Facility Maturity Date**" shall mean the date that is five Business Days prior to the Revolving Credit Maturity Date; provided that the L/C Facility Maturity Date may be extended beyond such date with the consent of the applicable Letter of Credit Issuer.

"**L/C Obligations**" shall mean, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unpaid Drawings, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the International Standby Practices (ISP98), such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time.

"**L/C Participant**" shall have the meaning provided in Section 3.3(a).

"**L/C Participation**" shall have the meaning provided in Section 3.3(a).

"**L/C Sublimit**" shall mean up to $100,000,000 aggregate amount of Letters of Credit that may be issued under the Revolving Credit Facility.

"**LCA Election**" shall have the meaning provided in Section 1.12(b).

"**LCA Test Date**" shall have the meaning provided in Section 1.12(b).

"**Lender**" shall have the meaning provided in the preamble to this Agreement.

"**Lender Default**" shall mean (i) the refusal or failure of any Lender to make available its portion of any incurrence of Loans or Reimbursement Obligations, which refusal or failure is not cured within one business day after the date of such refusal or failure, unless such Lender notifies the Administrative Agent in writing that such refusal or failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, (ii) the failure of any Lender to pay over to the Administrative Agent, any Letter of Credit Issuer or any other Lender any other amount required to be paid by it hereunder within one business day of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified, in writing, the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement or the Term Loan Facility, or a Lender has publicly announced that it does not intend to comply with its funding obligations under other loan agreements, credit agreements or similar facilities generally, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent that it will comply with its funding obligations under this Agreement or (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event.

"**Lender Presentation"** shall mean the lender presentation dated June 2, 2015 and presented to the Lenders in connection with the syndication of the Loans under this Agreement.

"**Lender-Related Distress Event**" shall mean, with respect to any Lender or any other Person that directly or indirectly controls such Lender (each, a "**Distressed Person**"), other than via an Undisclosed Administration, a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, or a custodian, conservator, receiver, or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person, or any Person that directly or indirectly controls such Distressed Person or is subject to a forced liquidation or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any governmental authority having regulatory authority over such Distressed Person to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a governmental authority or an instrumentality thereof.

"**Letter of Credit**" shall mean each letter of credit issued pursuant to Section 3.1 and each Existing Letter of Credit.

"**Letter of Credit Commitment**" shall mean, with respect to JPMorgan Chase Bank, N.A. in its capacity as a Letter of Credit Issuer, 100% of the L/C Sublimit, as may be reduced from time to time pursuant to Section 3.1.

"**Letter of Credit Expiration Date**" shall mean the day that is five Business Days prior to the scheduled Maturity Date then in effect for the Revolving Credit Facility.

"**Letter of Credit Exposure**" shall mean, with respect to any Lender, at any time, the sum of (i) the amount of the principal amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a) at such time and (ii) such Lender's Revolving Credit Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a)).

"**Letter of Credit Fee**" shall have the meaning provided in Section 4.1(b).

"**Letter of Credit Issuer**" shall mean (i) JPMorgan Chase Bank, N.A., (ii) any of its Affiliates or branches and (iii) any replacement, additional issuer, or successor pursuant to Section 3.6. In the event that there is more than one Letter of Credit Issuer at any time, references herein and in the other Credit Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires.

"**Letter of Credit Request**" shall mean a notice executed and delivered by the Borrower pursuant to Section 3.2, and substantially in the form of Exhibit M or another form which is acceptable to the Letter of Credit Issuer in its reasonable discretion.

"**Letters of Credit Outstanding**" shall mean, at any time the sum of, without duplication, (i) the aggregate Stated Amount of all outstanding Letters of Credit and (ii) the aggregate amount of the principal amount of all Unpaid Drawings.

"**LIBOR**" shall have the meaning provided in the definition of "LIBOR Rate."

"**LIBOR Loan**" shall mean any Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate.

"**LIBOR Rate**" shall mean,

(i) for any Interest Period with respect to a LIBOR Loan, the rate per annum equal to the offered rate administered by ICE Benchmark Administration ("**LIBOR**") or successor rate, which rate is approved by the Administrative Agent, on the applicable Reuters screen page (or such other commercially available source providing such quotations of LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(ii) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further, that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Borrower.

"**Lien**" shall mean with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority, or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in, and any filing of, or agreement to, give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease or a license, sub-license or cross-license to Intellectual Property be deemed to constitute a Lien.

"**Limited Condition Acquisition**" shall mean any acquisition by one or more of the Borrower and its Restricted Subsidiaries of any assets, business or Person permitted to be acquired by this Agreement, in each case, whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

"**Loan**" shall mean any Revolving Loan, Swingline Loan or Protective Advance or any other loan or advance made by any Lender pursuant to this Agreement.

"**Mandatory Borrowing**" shall have the meaning provided in Section 2.1(c).

"**Master Agreement**" shall have the meaning provided in the definition of the term "Hedge Agreement."

"**Material Adverse Effect**" shall mean a circumstance or condition affecting the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, that would, individually or in the aggregate, materially adversely affect (i) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their payment obligations under this Agreement or any of the other Credit Documents or (ii) the rights and remedies of the Administrative Agent and the Lenders under the Credit Documents.

"**Material Subsidiary**" shall mean, at any date of determination, each Restricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were equal to or greater than 5.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; provided that if, at any time and from time to time after the Restatement Effective Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Subsidiaries that are Excluded Subsidiaries by virtue of any of clauses (ii) through (xiii) of the definition of "Excluded Subsidiary") have, in the aggregate, (a) total assets at the last day of such Test Period equal to or greater than 10.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period equal to or greater than 10.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, then the Borrower shall, on the date on which financial statements for such quarter are delivered pursuant to this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable.

"**Maturity Date**" shall mean the Revolving Credit Maturity Date or any Incremental Revolving Credit Maturity Date, as applicable.

"**Maximum Borrowing Amount**" shall mean the lesser of (a) the aggregate Revolving Credit Commitments at such time and (b) the Borrowing Base.

"**Minimum Borrowing Amount**" shall mean (a) with respect to a Borrowing of LIBOR Loans, $5,000,000 and (b) with respect to a Borrowing of ABR Loans, $1,000,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing).

"**Minimum Collateral Amount**" shall mean, at any time, (i) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 102% of the Fronting Exposure of the Letter of Credit Issuer with respect to Letters of Credit issued and outstanding at such time and (ii) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided in accordance with the provisions of Section 3.8(a)(i), (a)(ii), or (a)(iii), an amount equal to 102% of the outstanding amount of all L/C Obligations.

"**Moody's**" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"**Mortgage**" shall mean a mortgage, deed of trust, deed to secure debt, trust deed, or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property to secure the Obligations, in form and substance reasonably acceptable to the Collateral Agent and the Borrower, together with such terms and provisions as may be required by local laws, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Mortgaged Property**" shall mean, initially, each parcel of real estate and the improvements thereto owned in fee by the Borrower or a Subsidiary Credit Party and identified on Schedule 1.1(a), and each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 9.14.

"**Multiemployer Plan**" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Credit Party or ERISA Affiliate makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions.

"**New Holdings**" shall have the meaning provided in the definition of "Holdings".

"**Net Income**" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"**NOLV Percentage**" shall mean the net orderly liquidation value of Eligible Inventory, expressed as a percentage, expected to be realized at an orderly, negotiated sale held within a reasonable period of time, net of all liquidation expenses, as determined from the most recent appraisal of Inventory of the Credit Parties performed by an appraiser and on terms reasonably satisfactory to the Administrative Agent.

"**Non-Bank Tax Certificate**" shall have the meaning provided in Section 5.4(e)(ii)(B)(3).

"**Non-Consenting Lender**" shall have the meaning provided in Section 13.7(b).

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"**Non-Expiring Credit Commitment**" shall have the meaning provided in Section 2.1(d).

"**Non-Extension Notice Date**" shall have the meaning provided in Section 3.2(d).

"**Non-U.S. Lender**" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"**Notice of Borrowing**" shall have the meaning provided in Section 2.3(a).

"**Notice of Conversion or Continuation**" shall have the meaning provided in Section 2.6(a).

"**Noticed Cash Management Obligations**" shall mean any Secured Cash Management Obligations with respect to which the Borrower and the Secured Party with respect thereto have notified the Administrative Agent of the intent to include such Secured Cash Management Obligations as Noticed Cash Management Obligations hereunder (so long as such designation, and the resulting Secured Cash Management Reserves at the time of designation, would not result in an Overadvance) and with respect to which a Secured Cash Management Reserve has subsequently been established in the amount set forth in such notice; provided that such designation shall be made within ten (10) Business Days of (i) the Restatement Effective Date if such Cash Management Services are in place on the Restatement Effective Date or (ii) the date such Cash Management Services are commenced if not in place on the Restatement Effective Date.

"**Noticed Hedge**" shall mean any Secured Hedge Obligations arising under a Hedge Agreement with respect to which the Borrower and the Secured Party thereof have notified the Administrative Agent of the intent to include such Secured Hedge Obligations as a Noticed Hedge hereunder (so long as such designation, and the resulting Secured Hedge Reserves at the time of designation, would not result in an Overadvance) and with respect to which a Secured Hedge Reserve has subsequently been established in the amount set forth in such notice; provided that such designation shall be made within ten (10) Business Days of (i) the Restatement Effective Date if such Hedge Agreement is in place on the Restatement Effective Date or (ii) the date such Hedge Agreement is entered into if such Hedge Agreement is not in place on the Restatement Effective Date.

"**Obligations**" shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Revolving Credit Commitment, Loan, Letter of Credit, Secured Bank Product Obligations or under any Secured Cash Management Agreement or Secured Hedge Agreement (other than with respect to any Credit Party's obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with the Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document.

"**Other Taxes**" shall mean all present or future stamp, registration, court or documentary Taxes or any other excise, property, intangible, mortgage recording, filing or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include (i) any Taxes that result from an assignment, ("**Assignment Taxes**") to the extent such Assignment Taxes are imposed as a result of a present or former connection between the Lender and the taxing jurisdiction (other than a connection arising solely from having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), except to the extent that any such action described in this proviso is requested or required by the Borrower pursuant to Section 13.7 or (ii) Excluded Taxes.

"**Overadvance**" shall mean at any time the amount by which the aggregate outstanding Revolving Credit Exposure exceeds the Borrowing Base.

"**Overadvance Condition**" shall mean and is deemed to exist any time the aggregate outstanding Revolving Credit Exposure exceeds the Borrowing Base.

"**Overadvance Loan**" shall mean an ABR Loan made at a time an Overadvance Condition exists or which results in an Overadvance Condition.

"**Overnight Rate**" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate and (b) an overnight rate determined by the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation.

"**Parent Entity**" shall mean any Person that is a direct or indirect parent company (which may be organized as, among other things, a partnership), including any managing member, of Holdings and/or the Borrower.

"**Participant**" shall have the meaning provided in Section 13.6(c)(i).

"**Participant Register**" shall have the meaning provided in Section 13.6(c)(ii).

"**Participating Member State**" shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"**Patriot Act**" shall have the meaning provided in Section 13.18.

"**Payment Account**" shall have the meaning provided in Section 9.17(c).

"**Payment Conditions**" shall mean the following: (a) no Specified Default exists or would arise after giving effect to such transaction, (b) Pro Forma Compliance for the most recently ended Test Period with a Fixed Charge Coverage Ratio of 1.0:1.0 and (c) the Borrower shall have pro forma Excess Availability giving effect to such transaction as of the date of such transaction (and would have had pro forma Excess Availability giving effect to such transaction for each day in the period of 20 days immediately preceding such action) in excess of the greater of 15% (or 12.5% in the case of Restricted Investments and unsecured Indebtedness) of the Maximum Borrowing Amount and $60,000,000 (or $50,000,000 in the case of Restricted Investments and unsecured Indebtedness); provided that the condition set forth in clause (b) shall not be applicable if the Borrower has pro forma Excess Availability giving effect to such transaction as of the date of such transaction (and would have had pro forma Excess Availability giving effect to such transaction for each day in the period of 20 days immediately preceding such action) in excess of the greater of 20% of the Maximum Borrowing Amount (or 17.5% in the case of Restricted Investments and unsecured Indebtedness) and $80,000,000 (or $70,000,000 in the case of Restricted Investments and unsecured Indebtedness).

"**Payment Intangible**" shall have the meaning provided in the Uniform Commercial Code.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Pension Plan**" shall mean any "employee pension benefit plan" (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA, be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Permitted Acquisition**" shall have the meaning provided in clause (iii) of the definition of "Permitted Investments".

"**Permitted Asset Swap**" shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or a Restricted Subsidiary and another Person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 10.4.

"**Permitted Discretion**" shall mean the Administrative Agent's reasonable credit judgment (from the perspective of an asset-based lender) in establishing Reserves, exercised in good faith in accordance with customary business practices for similar asset based lending facilities, based upon its consideration of any factor that it reasonably believes (i) could materially adversely affect the quantity, quality, mix or value of Collateral (including any applicable laws that may inhibit collection of an Eligible Credit Card Receivables), the enforceability or priority of the Administrative Agent's Liens thereon, or the amount that the Administrative Agent, the Revolving Credit Lenders or the Letter of Credit Issuer could receive in liquidation of any Collateral; (ii) that any collateral report or financial information delivered by the Borrower or any Guarantor is incomplete, inaccurate or misleading in any material respect; or (iii) creates an Event of Default. In exercising such judgment, the Administrative Agent may consider any factors that could materially increase the credit risk of lending to the Borrower on the security of the Collateral. Any Reserve established or modified by the Administrative Agent shall have a reasonable relationship to circumstances, conditions, events or contingencies which are the basis for such reserve, as reasonably determined, without duplication, by the Administrative Agent in good faith.

"**Permitted Holders**" shall mean each of (i) the Initial Investors and the Gochman Investors and their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management of the Borrower (or their respective direct or indirect parent or management investment vehicle) who are holders of Equity Interests of Holdings (or its direct or indirect parent company or management investment vehicle) and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, such Initial Investors and the Gochman Investors, their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of Holdings or any other direct or indirect Parent Entity, (ii) any direct or indirect Parent Entity formed not in connection with, or in contemplation of, a transaction (other than the Transactions or IPO Reorganization Transactions) that, assuming such parent was not formed after giving effect thereto, would constitute a Change of Control and (iii) any entity (other than a Parent Entity) through which a Parent Entity described in clause (ii) directly or indirectly holds Equity Interests of Holdings and has no other material operations other than those incidental thereto.

"**Permitted Investments**" shall mean:

(i) any Investment in the Borrower or any Restricted Subsidiary;

(ii) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;

(iii) any Investment by the Borrower or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment (a "**Permitted Acquisition**"), (1) such Person becomes a Restricted Subsidiary or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, or transfer;

(iv) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 10.4 or any other disposition of assets not constituting an Asset Sale;

(v) (a) any Investment existing or contemplated on the Restatement Effective Date and, in each case, listed on Schedule 10.5 and (b) Investments consisting of any modification, replacement, renewal, reinvestment, or extension of any such Investment; provided that the amount of any such Investment is not increased from the amount of such Investment on the Restatement Effective Date except pursuant to the terms of such Investment (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, or replaced Investment) and premium payable by the terms of such Indebtedness thereon and fees and expenses associated therewith as of the Restatement Effective Date;

(vi) any Investment acquired by the Borrower or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of the Borrower of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(vii) Hedging Obligations permitted under clause (j) of Section 10.1 and Cash Management Services;

(viii) any Investment in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (viii) that are at that time outstanding, not to exceed the greater of (a) $135,000,000 and (b) 33% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (viii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (viii) for so long as such Person continues to be a Restricted Subsidiary;

(ix) Investments the payment for which consists of Equity Interests of Holdings or any direct or indirect parent company of Holdings (exclusive of Disqualified Stock); provided that such Equity Interests will not increase the amount available for Restricted Payments under clause (iii) of Section 10.5(a);

(x) guarantees of Indebtedness permitted under Section 10.1;

(xi) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 9.9 (except transactions described in clause (b) of such paragraph);

(xii) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets in the ordinary course of business;

(xiii) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (xiii) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) $155,000,000 and (b) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (xiii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (xiii) for so long as such Person continues to be a Restricted Subsidiary;

(xiv) Investments relating to any Receivables Subsidiary that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect a Receivables Facility or any repurchases in connection therewith;

(xv) advances to, or guarantees of Indebtedness of, employees not in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment;

(xvi) (a) loans and advances to officers, directors, managers, and employees for business-related travel expenses, moving expenses, and other similar expenses, in each case, incurred in the ordinary course of business or consistent with past practices or to fund such Person's purchase of Equity Interests of the Borrower or any direct or indirect parent company thereof and (b) promissory notes received from stockholders of the Borrower, any direct or indirect parent company of the Borrower or any Subsidiary in connection with the exercise of stock options in respect of the Equity Interests of the Borrower, any direct or indirect parent company of the Borrower and the Subsidiaries;

(xvii) Investments consisting of extensions of trade credit in the ordinary course of business;

(xviii) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(xix) non-cash Investments in connection with tax planning and reorganization activities; provided that after giving effect to any such activities, the security interests of the Lenders in the Collateral, taken as a whole, would not be materially impaired;

(xx) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client, franchisee and customer contracts and loans or advances made to, and guarantees with respect to obligations of, franchisees, distributors, suppliers, licensors and licensees in the ordinary course of business;

(xxi) the licensing and contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons, in the ordinary course of business;

(xxii) advances of payroll payments to employees in the ordinary course of business;

(xxiii) contributions to a "rabbi" trust for the benefit of employees, directors, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower; and

(xxiv) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary pursuant to the definition of "Unrestricted Subsidiary".

"**Permitted Liens**" shall mean, with respect to any Person:

(i) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws, or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds, in each case, incurred in the ordinary course of business;

(ii) Liens imposed by law, such as carriers', warehousemen's, materialmen's, repairmen's, and mechanics' Liens, in each case, for sums not yet overdue for a period of more than 60 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(iii) Liens for Taxes, assessments, or other governmental charges not yet overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP or are not required to be paid pursuant to Section 8.11, or for property Taxes on property of the Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such Tax is to such property;

(iv) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(v) minor survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar purposes, or zoning, building codes, or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not, in the aggregate, materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person, taken as a whole;

(vi) Liens securing Indebtedness permitted to be outstanding pursuant to clause (a), (b)(i) (so long as such Liens are subject to the ABL Intercreditor Agreement), (d), (l)(ii), (r), (w) (so long as such Liens are subject to the ABL Intercreditor Agreement), (x) (so long as such Liens are subject to the ABL Intercreditor Agreement) or (y) of Section 10.1; provided that, (a) in the case of clause (d) of Section 10.1, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto) other than the property or equipment being financed or refinanced under such clause (d) of Section 10.1, replacements of such property, equipment or assets, and additions and accessions and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender and (b) in the case of clause (r) of Section 10.1, such Lien may not extend to any assets other than the assets owned by the Restricted Subsidiaries incurring such Indebtedness;

(vii) subject to Section 9.14, other than with respect to Mortgaged Property, Liens existing on the Restatement Effective Date; provided that any Lien securing Indebtedness or other obligations in excess of (a) $5,000,000 individually or (b) $25,000,000 in the aggregate (when taken together with all other Liens securing obligations outstanding in reliance on this clause (b) that are not listed on Schedule 10.2) shall only be permitted if set forth on Schedule 10.2, and, in each case, any modifications, replacements, renewals, or extensions thereof;

(viii) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such Person, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(ix) Liens on property at the time the Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation, or designation; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such property, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(x) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness of such Restricted Subsidiary or another Restricted Subsidiary that is not a Credit Party, in each case, permitted under Section 10.1;

(xi) Liens securing Hedging Obligations and Cash Management Services so long as the related Indebtedness is, and is permitted hereunder to be, secured by a Lien on the same property securing such Hedging Obligations and Cash Management Services;

(xii) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xiii) leases, subleases, licenses, or sublicenses (including of Intellectual Property) granted to others in the ordinary course of business;

(xiv) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xv) Liens in favor of the Borrower or any other Subsidiary Guarantor;

(xvi) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's or such Restricted Subsidiary's client at which such equipment is located;

(xvii) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;

(xviii) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (vi), (vii), (viii), (ix), (x), and (xv) of this definition of "Permitted Liens"; provided that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1) the outstanding principal amount or, if greater, the committed amount of the Indebtedness described under clauses (vi), (vii), (viii), (ix), (x), and (xv) at the time the original Lien became a Permitted Lien under this Agreement, and (2) an amount necessary to pay any fees and expenses, including premiums and accrued and unpaid interest, related to such refinancing, refunding, extension, renewal, or replacement;

(xix) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(xx) other Liens securing obligations (including Capitalized Lease Obligations) which do not exceed the greater of (a) $205,000,000 and (b) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien; provided that any such Liens shall be either (x) an asset or property that do not constitute ABL Priority Collateral or (y) a Lien ranking junior to the First Lien Obligations (including having the same lien priority as the Term Facility Obligations); provided, further, that at the Borrower's election, (i) [reserved] and (ii) in the case of Liens securing Permitted Other Indebtedness Obligations that have a Lien on the Collateral ranking junior to the Lien securing the Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a

whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness that do not constitute First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness that do not constitute First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (xx);

(xxi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 11.5 or Section 11.10;

(xxii) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xxiii) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (c) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(xxiv) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.1; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xxv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xxvi) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposits or sweep accounts of the Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries, or (c) relating to purchase orders and other agreements entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(xxvii) Liens (a) solely on any cash earnest money deposits made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement or (b) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder;

(xxviii) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xxix) restrictive covenants affecting the use to which real property may be put; provided that the covenants are complied with;

(xxx) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(xxxi) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements, and contract zoning agreements;

(xxxii) Liens arising out of conditional sale, title retention, consignment, or similar arrangements for sale of goods entered into by Holdings or any Restricted Subsidiary in the ordinary course of business;

(xxxiii) Liens arising under the Security Documents;

(xxxiv) Liens on goods purchased in the ordinary course of business, the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries;

(xxxv) (a) Liens on Equity Interests in joint ventures; provided that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (b) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by the Borrower or any Restricted Subsidiary in joint ventures;

(xxxvi) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; provided (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder,

(xxxvii) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirements of Law, and

(xxxviii) to the extent pursuant to a Requirements of Law, Liens on cash or Permitted Investments securing Hedge Agreements in the ordinary course of business.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on, and fees, expenses and other obligations payable with respect to, such Indebtedness.

"**Permitted Other Indebtedness**" shall mean subordinated or senior Indebtedness (which Indebtedness may (i) be unsecured, (ii) [reserved], or (iii) be secured by a Lien ranking junior to the Lien securing the First Lien Obligations (including having the same lien priority as the Term Facility Obligations)), in each case issued or incurred by the Borrower or a Guarantor, (a) the terms of which do not provide for any scheduled repayment, mandatory repayment, or redemption or sinking fund obligations prior to, at the time of incurrence, the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement) (other than, in each case, customary offers or obligations to repurchase upon a change of control, asset sale, or casualty or condemnation event, AHYDO payments and customary acceleration rights after an event of default), (b) the covenants, taken as a whole, are not materially more restrictive to the Borrower and the Restricted Subsidiaries than those herein (taken as a whole) (except for covenants applicable only to the periods after the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement)) (it being understood that, (1) to the extent that any financial maintenance covenant is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such financial maintenance covenant is also added for the benefit of any corresponding Loans remaining outstanding after the issuance or incurrence of such Indebtedness or (2) no consent shall be required by the Administrative Agent or any of the Lenders if any covenants are only applicable after the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement) at the time of such refinancing); provided that a certificate of an Authorized Officer of the Borrower delivered to the Administrative Agent at least five Business Days (or such shorter period as the Administrative Agent may reasonably agree) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and

conditions satisfy the foregoing requirement unless the Administrative Agent notifies the Borrower within two Business Days after receipt of such certificate that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees), (c) of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor and (d) that, if secured, is not secured by a lien any assets of the Borrower or its Subsidiaries other than the Collateral.

"**Permitted Other Indebtedness Documents**" shall mean any document or instrument (including any guarantee, security agreement, or mortgage and which may include any or all of the Credit Documents) issued or executed and delivered with respect to any Permitted Other Indebtedness by the Borrower or any Subsidiary Credit Party.

"**Permitted Other Indebtedness Obligations**" shall mean, if any Permitted Other Indebtedness is issued or incurred, all advances to, and debts, liabilities, obligations, covenants, and duties of, the Borrower or any Credit Party arising under any Permitted Other Indebtedness Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against the Borrower or any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Permitted Other Indebtedness Obligations of the Borrower and/or applicable Credit Parties under the Permitted Other Indebtedness Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Permitted Other Indebtedness Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any such Person under any Permitted Other Indebtedness Document.

"**Permitted Other Indebtedness Secured Parties**" shall mean the holders from time to time of secured Permitted Other Indebtedness Obligations (and any representative on their behalf).

"**Permitted Sale Leaseback**" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Restatement Effective Date; provided that any such Sale Leaseback not between the Borrower and a Restricted Subsidiary is consummated for fair value as determined at the time of consummation in good faith by (i) the Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sale Leasebacks) the aggregate proceeds of which exceed the greater of (a) $165,000,000 and (b) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Sale Leaseback, the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"**Permitted Tax Distributions**" shall mean, collectively distributions by the Borrower, Holdings, Intermediate Holdcos or any parent thereof at the following times and in the following amounts:

(i) on a quarterly basis, an amount equal to the excess of (x) the sum of the following amounts for each equityholder of Holdings: (A) the excess of (1) the estimated cumulative taxable income allocated (or allocable) to such equityholder for the taxable year through the end of such period (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (i)(x)(A) with respect to a prior taxable year multiplied by (B) the Assumed Tax Rate, over (y) distributions previously made pursuant to this clause (i) with respect to the taxable year; and

(ii) at any time after the end of each taxable year (including, for the avoidance of doubt, in any subsequent taxable year), an amount equal to the excess of (x) the sum of the following amounts for

each equityholder of Holdings: (A) the excess of (1) the cumulative taxable income allocated (or allocable) to such equityholder for the taxable year (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (ii)(x)(A), multiplied by (B) the Assumed Tax Rate, over (y) distributions made pursuant to clause (i) of this definition with respect to the taxable year.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust, or other enterprise or any Governmental Authority.

"**Plan**" shall mean, other than any Multiemployer Plan, any employee benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party or, with respect to any such plan that is that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Platform**" shall have the meaning provided in Section 13.17(a).

"**Pledge Agreement**" shall mean the Amended and Restated Pledge Agreement, entered into by the Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

"**Post-Acquisition Period**" shall mean, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the eighth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"**Previous Holdings**" shall have the meaning provided in the definition of "Holdings".

"**primary obligor**" shall have the meaning provided such term in the definition of "Contingent Obligations".

"**Prime Rate**" shall mean the "prime rate" referred to in the definition of "ABR".

"**Pro Forma Adjustment**" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or Converted Restricted Subsidiary or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, projected by the Borrower in good faith as a result of (i) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (ii) any additional costs incurred during such Post-Acquisition Period, in each case, in connection with the combination of the operations of such Acquired Entity or Business or Converted Restricted Subsidiary with the operations of the Borrower and the Restricted Subsidiaries; provided that (a) at the election of the Borrower, such Pro Forma Adjustment shall not be required to be determined for any Acquired Entity or Business or Converted Restricted Subsidiary to the extent the aggregate consideration paid in connection with such acquisition was less than $10,000,000; and (b) so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that the applicable amount of such cost savings will be realizable during the entirety of such Test Period, or the applicable amount of such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided, further, that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

"**Pro Forma Basis**," "**Pro Forma Compliance**," and "**Pro Forma Effect**" shall mean, with respect to compliance with any test, financial ratio, or covenant hereunder, that (i) to the extent applicable, a Pro Forma Adjustment shall have been made and (ii) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (1) in the case of a sale, transfer, or other disposition of all or substantially all Capital Stock in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Subsidiaries, shall be excluded, and (2) in the case of a Permitted Acquisition or Investment described in the definition of Specified Transaction, shall be included, (b) any retirement of Indebtedness, and (c) any incurrence or assumption of Indebtedness by the Borrower or any of the Restricted Subsidiaries in connection therewith (it being agreed that if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination); provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to operating expense reductions that are (x)(1) directly attributable to such transaction, (2) expected to have a continuing impact on the Borrower or any of the Restricted Subsidiaries, and (3) factually supportable or (y) otherwise consistent with the definition of Pro Forma Adjustment.

"**Pro Forma Entity**" shall have the meaning provided in the definition of the term "Acquired EBITDA."

"**Prohibited Transaction**" shall have the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code.

"**Projections**" shall have the meaning provided in Section 9.1(c).

"**Protective Advance**" shall have the meaning assigned to such term in Section 2.15.

"**Public Company Costs**" shall mean costs relating to compliance with the provisions of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees.

"**Qualified Accounts**" shall mean (a) prior to the 120th day after the Restatement Effective Date, all Deposit Accounts of Credit Parties that are concentration accounts, custody accounts or investment accounts and (b) on and after the 120th day after the Restatement Effective Date all Deposit Accounts of Credit Parties that are concentration accounts, custody accounts or investment accounts (i) with the Administrative Agent or (ii) with another depositary, subject to a Blocked Account Agreement in favor of the Administrative Agent; provided that the applicable depositary (if not the Administrative Agent) shall provide daily reports to the Administrative Agent setting forth the balances in such accounts (which may relate to the previous Business Day); provided, further, that, in each case, such Qualified Account is not subject to any other Lien other than Liens permitted by Section 10.2, and such Liens do not have priority over the Lien of the Administrative Agent and are junior to the Lien of the Administrative Agent (other than (i) inchoate or other Liens (including tax Liens) arising by operation of law or (ii) Permitted Liens under clause (xxiii) of the definition thereof).

"**Qualified Cash**" shall mean, at any time, the amount of unrestricted cash and Cash Equivalents of the relevant Credit Parties held in Qualified Accounts as such time.

"**Qualified Proceeds**" shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"**Qualified Stock**" of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person.

"**Real Estate**" shall have the meaning provided in Section 9.1(f).

"**Receivables**" shall mean (i) Accounts and (ii) Payment Intangibles evidencing rights to payment for goods sold or leased, or for services rendered.

"**Receivables Facility**" shall mean any of one or more receivables financing facilities (and any guarantee of such financing facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Restricted Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its accounts receivable to either (i) a Person that is not a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

"**Receivables Fee**" shall mean distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

"**Receivables Subsidiary**" shall mean any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which the Borrower or any Subsidiary makes an Investment and to which the Borrower or any Subsidiary transfers accounts receivables and related assets.

"**Refinancing Indebtedness**" shall have the meaning provided in Section 10.1(m).

"**Refunding Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Register**" shall have the meaning provided in Section 13.6(b)(iv).

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Reimbursement Date**" shall have the meaning provided in Section 3.4(a).

"**Reimbursement Obligations**" shall mean the Borrower's obligations to reimburse Unpaid Drawings pursuant to Section 3.4(a).

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by the Borrower or the Restricted Subsidiaries in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"**Related Fund**" shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender.

"**Related Parties**" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"**Release**" shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into or migration through the environment.

"**Removal Effective Date**" shall have the meaning provided in Section 12.9(b).

"**Reorganization**" shall mean, with respect to any Multiemployer Plan, the condition that such plan is in "reorganization" within the meaning of Section 4241 of ERISA.

"**Reportable Event**" shall mean any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to DOL Reg. § 4043.

"**Required Lenders**" shall mean, at any date, (i) Non-Defaulting Lenders having or holding a majority of the Adjusted Total Revolving Credit Commitment at such date or (ii) if the Total Revolving Credit Commitment has been terminated or for the purposes of acceleration pursuant to Section 11, Non-Defaulting Lenders having or holding a majority of the outstanding principal amount of the Loans and Letter of Credit Exposure (excluding the Loans and Letter of Credit Exposure of Defaulting Lenders) in the aggregate at such date; provided, in each case, such Non-Defaulting Lenders representing the Required Lenders under clauses (i) and (ii) of this definition shall be constituted by at least two Non-Defaulting Lenders that are not Affiliated Institutional Lenders.

"**Required Reserve Notice**" shall mean (a) so long as no Event of Default has occurred and is continuing, at least five Business Days' advance notice to the Borrower (or such shorter period as the Borrower may agree), (b) if a Material Adverse Effect under clause (ii) of the definition thereof has occurred or it would be reasonably likely that a Material Adverse Effect under clause (ii) of the definition thereof would occur were such Reserves not changed or established prior to the expiration of any notice period, two Business Days' advance notice to the Borrower and (c) if an Event of Default has occurred and is continuing, one days' advance notice to the Borrower

"**Requirements of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"**Reserves**" shall mean such reserves as the Administrative Agent from time to time determines in its Permitted Discretion, including (a) Bank Product Reserves and (b) reserves of the type described in Section 2.17 hereof.

"**Resignation Effective Date**" shall have the meaning provided in Section 12.9(a).

"**Restatement Effective Date**" shall mean July 2, 2015.

"**Restatement Effective Date Refinancing**" shall mean the repayment, repurchase, redemption, defeasance or other discharge of the Existing Debt Facilities and termination and/or release of any security interests and guarantees in connection therewith (other than as set forth in Section 13.23).

"**Restricted Investment**" shall mean an Investment other than a Permitted Investment.

"**Restricted Payment**" shall have the meaning provided in Section 10.5(a).

"**Restricted Subsidiary**" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"**Retired Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Revolving Credit Commitment**" shall mean, as to each Revolving Credit Lender, its obligation to make Revolving Credit Loans to the Borrower pursuant to Section 2.1(a), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth, and opposite such Lender's name on Schedule 1.1(b) under the caption Revolving Credit Commitment or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including Section 2.14). The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be $650,000,000 on the Restatement Effective Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"**Revolving Credit Commitment Percentage**" shall mean at any time, for each Lender, the percentage obtained by dividing (i) such Lender's Revolving Credit Commitment at such time by (ii) the amount of the Total Revolving Credit Commitment at such time; provided that at any time when the Total Revolving Credit Commitment shall have been terminated, each Lender's Revolving Credit Commitment Percentage shall be the percentage obtained by dividing (a) such Lender's Revolving Credit Exposure at such time by (b) the Revolving Credit Exposure of all Lenders at such time.

"**Revolving Credit Exposure**" shall mean, with respect to any Lender at any time, the sum of (i) the aggregate principal amount of Revolving Credit Loans of such Lender then outstanding, (ii) such Lender's Letter of Credit Exposure at such time, and (iii) such Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of all outstanding Swingline Loans and Protective Advances at such time.

"**Revolving Credit Facility**" shall mean, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

"**Revolving Credit Lender**" shall mean, at any time, any Lender that has a Revolving Credit Commitment or an Incremental Commitment at such time.

"**Revolving Credit Loan**" shall have the meaning provided in Section 2.1(a).

"**Revolving Credit Maturity Date**" shall mean July 2, 2020 or, if such date is not a Business Day, the immediately preceding Business Day.

"**Revolving Credit Termination Date**" shall mean the date on which the Revolving Credit Commitments shall have terminated, no Revolving Credit Loans or Swingline Loans shall be outstanding and the Letters of Credit Outstanding shall have been reduced to zero or Cash Collateralized.

"**Revolving Loan**" shall mean, collectively or individually as the context may require, any Revolving Credit Loan or Incremental Revolving Credit Loan, in each case made pursuant to and in accordance with the terms and conditions of this Agreement.

"**S&P**" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"**Sale Leaseback**" shall mean any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing.

"**Sanctions**" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"**SEC**" shall mean the Securities and Exchange Commission or any successor thereto.

"**Second Lien Intercreditor Agreement**" shall mean a First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit I-2 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent and the representatives for purposes thereof of any other Permitted Other Indebtedness Secured Parties that are holders of Permitted Other Indebtedness Obligations having a Lien on the Collateral ranking junior to the Lien securing the Obligations.

"**Section 9.1 Financials**" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

"**Secured Bank Product Obligations**" shall mean Bank Product Debt owing to a Secured Bank Product Provider, in the amount (in the case of any Secured Bank Product Provider other than JPMorgan Chase Bank, N.A. and its Affiliates) specified by such provider in writing to the Administrative Agent, which amount may be established or increased (by further written notice to the Administrative Agent from time to time) as long as no Default or Event of Default exists and establishment of a Bank Product Reserve for such amount and all other Secured Bank Product Obligations would not result in the aggregate Revolving Credit Exposures exceeding the Maximum Borrowing Amount.

"**Secured Bank Product Provider**" shall mean (a) JPMorgan Chase Bank, N.A. or any of its Affiliates; and (b) any Secured Party that is providing a Bank Product, provided that the provider described in this clause (b) delivers written notice that has been consented to in writing by the Borrower to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, by the later of 10 Business Days following the Restatement Effective Date or 10 Business Days following creation of the Bank Product if such Bank Product is not in place on the Restatement Effective Date, (i) describing the Bank Product and setting forth the amount to be secured by the Collateral and the methodology to be used in calculating such amount, and (ii) agreeing to be bound by Section 11.12 or Section 12 hereof, as provided in Section 12.14.

"**Secured Cash Management Agreement**" shall mean any Cash Management Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder.

"**Secured Cash Management Obligations**" shall mean Obligations under Secured Cash Management Agreements.

"**Secured Cash Management Reserves**" shall mean Obligations in respect of any Secured Cash
Management Obligation in the amount specified by the applicable Secured Party and the Borrower in writing to the Administrative Agent under the definition of "Noticed Cash Management Obligations", which amount may, subject to the restrictions set forth in the definition of "Noticed Cash Management Obligations" be increased with respect to any existing Secured Cash Management Obligation at any time by further written notice from such Secured Party and the Borrower to the Administrative Agent.

"**Secured Commercial LC Facility**" shall mean any Commercial Letter of Credit facility that is entered into by and between the Borrower or any Restricted Subsidiary and a financial institution engaged in the business of issuing Commercial Letters of Credit to the extent that such Commercial Letter of Credit facility is designated in writing by the Borrower and such financial institution to the Administrative Agent as a Secured Commercial LC Facility; provided that the Borrower shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any Lien upon any of its property or assets (other than the Lien on the Collateral in favor of the Administrative Agent for the benefit of the Secured Parties) for the benefit of any Secured Commercial LC

Facility; provided, further, that any Commercial Letter of Credit issued pursuant to a Secured Commercial LC Facility shall be deemed issued pursuant to such facility and may not be considered a Letter of Credit for the purposes of this Agreement, including, without limitation, Sections 3.1 and 11.12.

"**Secured Hedge Agreement**" shall mean any Hedge Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a "Secured Hedge Agreement" hereunder. For purposes of the preceding sentence, the Borrower may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as "Secured Hedge Agreements". Notwithstanding anything to the contrary, a Hedge Agreement with a Restricted Subsidiary shall remain a Secured Hedge Agreement notwithstanding that such Restricted Subsidiary is subsequently designated an Unrestricted Subsidiary, unless otherwise agreed between such Restricted Subsidiary and Hedge Bank.

"**Secured Hedge Obligations**" shall mean Obligations under Secured Hedge Agreements.

"**Secured Hedge Reserves**" shall mean Obligations in respect of any Secured Hedge Obligation in the amount specified by the applicable Secured Party and the Borrower in writing to the Administrative Agent under the definition of "Noticed Hedges" (but not to exceed the Hedge Termination Value), which amount may, subject to the restrictions set forth in the definition of "Noticed Hedges" and herein, be increased (provided no such increase shall become effective if following such increase and the resulting increased Bank Product Reserve, no Overadvance would exist) with respect to any existing Secured Hedge Obligation at any time by further written notice from such Secured Party and the Borrower to the Administrative Agent.

"**Secured Parties**" shall mean the Administrative Agent, the Collateral Agent, the Letter of Credit Issuers and each Lender in each case with respect to the Credit Facilities, each Secured Bank Product Provider that is providing a Bank Product to Holdings or any Restricted Subsidiary, each Hedge Bank that is party to any Secured Hedge Agreement with Borrower or any Restricted Subsidiary, each Cash Management Bank that is party to a Secured Cash Management Agreement with the Borrower or any Restricted Subsidiary and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Collateral Agent with respect to matters relating to any Security Document.

"**Security Agreement**" shall mean the Amended and Restated Security Agreement entered into by the Borrower, the other grantors party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Security Documents**" shall mean, collectively, the Pledge Agreement, the Security Agreement, the Mortgages, the ABL Intercreditor Agreement, if executed, the First Lien Intercreditor Agreement, if executed, the First Lien/Second Lien Intercreditor Agreement and each other security agreement or other instrument or document executed and delivered pursuant to Sections 9.11, 9.12 or 9.14 or pursuant to any other Security Documents (including intellectual property security agreements) to secure the Obligations or to govern the lien priorities of the holders of Liens on the Collateral.

"**Significant Subsidiary**" shall mean, at any date of determination, (a) any Restricted Subsidiary whose gross revenues (when combined with the gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, determined in accordance with GAAP or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary's total gross revenues (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) are aggregated with each other Restricted Subsidiary (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) that is the subject of an Event of Default described in Section 11.5 would constitute a "Significant Subsidiary" under clause (a) above.

"**Similar Business**" shall mean any business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries on the Restatement Effective Date or any business that is similar, reasonably related, synergistic, incidental, or ancillary thereto.

"**Sold Entity or Business**" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"**Solvent**" shall mean, after giving effect to the consummation of the Transactions, (i) the sum of the liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis, does not exceed the present fair saleable value of the present assets of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (ii) the fair value of the property of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (iii) the capital of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is not unreasonably small in relation to their business as contemplated on the date hereof; and (iv) the Borrower and its Restricted Subsidiaries, on a consolidated basis, have not incurred and do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debts as they become due (whether at maturity or otherwise).

"**Special Dividend**" shall mean a special one-time dividend within five Business Days of the Restatement Effective Date in an amount not to exceed $200,000,000 to be paid by Borrower, directly or indirectly, to Holdings and by Holdings to its equity holders.

"**Specified Default**" shall mean any Event of Default pursuant to Section 11.1, 11.2 (with respect to representations in any Borrowing Base Certificate only), 11.3(a) (with respect to Section 9.17 or 10.7 only), 11.3(b) (with respect to Section 9.1(h) only) or 11.5.

"**Specified Transaction**" shall mean, with respect to any period, any Investment (including a Permitted Acquisition), any asset sale, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, Incremental Commitment or other event or action that in each case by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis.

"**Sponsor**" shall mean any of KKR and its Affiliates but excluding portfolio companies of any of the foregoing.

"**Sponsor Management Agreement**" shall mean the management agreement between certain of the management companies associated with the Initial Investors and the Borrower, as in effect on August 3, 2011 and as may be amended, modified, supplemented, restated, replaced or substituted so long as such amendment, modification, supplement, restatement, replacement or substitution is not, when taken as a whole, materially disadvantageous to the Lenders compared to the management agreement in effect on August 3, 2011.

"**Spot Rate**" for any currency shall mean the rate determined by the Administrative Agent to be the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if it does not have as of the date of determination a spot buying rate for any such currency.

"**SPV**" shall have the meaning provided in Section 13.6(g).

"**Stated Amount**" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met; provided, however, that with respect to any Letter of Credit that by its terms or the terms of any Issuer Document provides for one or more automatic increases in the stated amount thereof, the Stated Amount shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

"**Statutory Reserves**" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject to Eurocurrency Liabilities (as defined in Regulation D of the Board). LIBOR Rate Loans shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"**Stock Equivalents**" shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable.

"**Subject Lien**" shall have the meaning provided in Section 10.2(a).

"**Subordinated Indebtedness**" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower or such Guarantor, as applicable, under this Agreement or the Guarantee, as applicable.

"**Subsidiary**" of any Person shall mean and include (i) any corporation more than 50% of whose Capital Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Capital Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, or (ii) any limited liability company, partnership, association, joint venture, or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Borrower.

"**Successor Borrower**" shall have the meaning provided in Section 10.3(a).

"**Super Majority Lenders**" shall mean, at any time, Lenders having Revolving Credit Exposures and unused Commitments (other than Swingline Commitments) representing more than 66.7% of the aggregate Revolving Credit Exposures and unused Commitments (other than Swingline Commitments) at such time; provided that whenever there are one or more Defaulting Lenders, the total outstanding Revolving Credit Exposures of, and the unused Revolving Credit Commitments of, each Defaulting Lender shall in each case be excluded for purposes of making a determination of Super Majority Lenders; provided further that, such Super Majority Lenders shall be constituted by at least two Lenders that are not Affiliated Institutional Lenders.

"**Swap Obligation**" shall mean, with respect to the Borrower or any Subsidiary Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of Section 1(a)(47) of the Commodity Exchange Act.

"**Swingline Commitment**" shall mean $65,000,000. The Swingline Commitment is part of and not in addition to the Revolving Credit Commitment.

"**Swingline Exposure**" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Credit Lender at any time shall equal its Revolving Credit Commitment Percentage of the aggregate Swingline Exposure at such time.

"**Swingline Lender**" shall mean JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder or any replacement or successor thereto.

"**Swingline Loans**" shall have the meaning provided in Section 2.1(b).

"**Swingline Maturity Date**" shall mean, with respect to any Swingline Loan, the Revolving Credit Maturity Date.

"**Taxes**" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing.

"**Term Loan Administrative Agent**" shall have the meaning assigned to the term "Administrative Agent" in the Term Loan Credit Agreement.

"**Term Loan Credit Agreement**" shall mean the Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, the lenders party thereto and the Term Loan Administrative Agent.

"**Term Loan Credit Documents**" shall mean the Term Loan Credit Agreement and each other document executed in connection therewith or pursuant thereto.

"**Term Loan Facility**" shall have the meaning provided in the recitals to this Agreement.

"**Term Loans**" shall have the meaning provided to the term "Loans" in the Term Loan Credit Agreement and any modification, replacement, refinancing, refunding, renewal, or extension thereof.

"**Test Period**" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower's most recently ended on or prior to such date of determination and for which Section 9.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 9.1 Financials, the most recent period of four fiscal quarters at the end of which financial statements are available).

"**Texas Intermediate Holdcos**" means Associated Investors LLC, a Texas limited liability company, and Academy Managing Co., LLC, a Texas limited liability company.

"**Total Credit Exposure**" shall mean, at any date, the Total Revolving Credit Commitment at such date (or, if the Total Revolving Credit Commitment shall have terminated on such date, the aggregate Revolving Credit Exposure of all Lenders at such date).

"**Total Revolving Credit Commitment**" shall mean the sum of the Revolving Credit Commitments of all the Lenders.

"**Transaction Expenses**" shall mean any fees, costs, or expenses incurred or paid by the Borrower, or any of their respective Affiliates in connection with the Transactions, this Agreement, and the other Credit Documents, and the transactions contemplated hereby and thereby.

"**Transactions**" shall mean, collectively, the transactions contemplated by this Agreement, the Term Loan Credit Agreement, the Restatement Effective Date Refinancing, the payment of the Special Dividend and the consummation of any other transactions in connection with the foregoing (including the payment of the fees and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

"**Transferee**" shall have the meaning provided in Section 13.6(e).

"**Type**" shall mean as to any Revolving Loan, its nature as an ABR Loan or a LIBOR Loan.

"**UCP**" shall mean, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("**ICC**") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"**Uncontrolled Cash**" shall mean all amounts from time to time on deposit in any Designated Disbursement Account.

"**Undisclosed Administration**" shall mean in relation to a Lender or its parent company the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code as in effect from time and time in the State of New York or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

"**Unpaid Drawing**" shall have the meaning provided in Section 3.4(a).

"**Unrestricted Subsidiary**" shall mean (i) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the board of directors of the Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary.

The board of directors of the Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary, unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary of the Borrower (other than any Subsidiary of the Subsidiary to be so designated or an Unrestricted Subsidiary); provided that:

(a) such designation complies with Section 10.5;

(b) each of (1) the Subsidiary to be so designated and (2) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee, or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Borrower or any Restricted Subsidiary, and

(c) immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

The board of directors of the Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

Any such designation by the board of directors of the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the Board Resolution giving effect to such designation and a certificate of an Authorized Officer of the Borrower certifying that such designation complied with the foregoing provisions.

"**U.S.**" and "**United States**" shall mean the United States of America.

"**Voting Stock**" shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors or managers (or similar governing authority) of such Person.

"**Weekly Borrowing Base Certificate**" shall mean a certificate, signed and certified as accurate and complete by the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower, in substantially the form of Exhibit N or another form which is acceptable to the Administrative Agent in its reasonable discretion (it being agreed that each Weekly Borrowing Base Certificate will be based on the most recently delivered Borrowing

Base Certificate delivered on a monthly basis updated to reflect changes in the aggregate value of Receivables of the relevant Credit Parties but with ineligibility and reserve related items reflecting those set forth in such most recent Borrowing Base Certificate).

"**Weekly Reporting Period"** shall mean any period (a) beginning on the date that Excess Availability is less than the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $40,000,000 for five consecutive Business Days, until such time as Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $40,000,000 for at least 20 consecutive calendar days, or (b) during which a Specified Default has occurred and is continuing.

"**Wholly-Owned Restricted Subsidiary**" of any Person shall mean a Restricted Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Wholly-Owned Subsidiary"** of any Person shall mean a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Withdrawal Liability"** shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"**Withholding Agent"** shall mean any Credit Party, the Administrative Agent and any other applicable withholding agent.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof", and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(i) All references to "knowledge" or "awareness" of any Credit Party or any Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of such Credit Party or such Restricted Subsidiary.

1.3 Accounting Terms.

(a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a consistent manner.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

(c) Where reference is made to "the Borrower and the Restricted Subsidiaries on a consolidated basis" or similar language, such combination shall not include any Subsidiaries of the Borrower other than Restricted Subsidiaries.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases are permitted by any Credit Document; and (b) references to any Requirements of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirements of Law.

1.6 Exchange Rates. Notwithstanding the foregoing, for purposes of any determination under Section 9, Section 10 or Section 11 or any determination under any other provision of this Agreement expressly requiring the use of a current exchange rate, all amounts incurred, outstanding, or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Spot Rate; provided, however, that for purposes of determining compliance with Section 10 with respect to the amount of any Indebtedness, Restricted Investment, Lien, Asset Sale, or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness, Lien or Restricted Investment is incurred or Asset Sale or Restricted Payment is made; provided that, for the avoidance of doubt, the foregoing provisions of this Section 1.6 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness, Lien, or Investment may be incurred or Asset Sale or Restricted Payment made at any time under such Sections. For purposes of any determination of Consolidated Total Debt, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered Section 9.1 Financials.

1.7 Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission, or any other matter related to the rates in the definition of LIBOR Rate or with respect to any comparable or successor rate thereto.

1.8 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.9 Timing of Payment or Performance. Except as otherwise provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

1.10 Certifications. All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

1.11 Compliance with Certain Sections. In the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), disposition, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment of Indebtedness meets the criteria of one or more than one of the categories of transactions then permitted pursuant to any clause or subsection of Section 9.9 or any clause or subsection of Sections 10.1, 10.2, 10.3, 10.4, 10.5 or 10.6, then such transaction (or portion thereof) at any time shall be allocated to one or more of such clauses or subsections within the relevant sections as determined by the Borrower in its sole discretion at such time.

1.12 Pro Forma and Other Calculations.

(a) For purposes of calculating the Fixed Charge Coverage Ratio and Consolidated Total Debt to Consolidated EBITDA Ratio, Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (as determined in accordance with GAAP) that have been made by the Borrower or any Restricted Subsidiary during the Test Period or subsequent to such Test Period and on or prior to or simultaneously with the date of determination shall be calculated on a Pro Forma Basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Test Period. If, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, merger, consolidation, or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio and Consolidated Total Debt to Consolidated EBITDA Ratio shall be calculated giving Pro Forma Effect thereto for such Test Period as if such Investment, acquisition, disposition, merger, consolidation, or disposed operation had occurred at the beginning of the Test Period.

(b) Whenever Pro Forma Effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower (and may include, for the avoidance of doubt and without duplication, cost savings, and operating expense reductions resulting from such Investment, acquisition, merger, or consolidation which is being given Pro Forma Effect that have been or are expected to be realized; provided that such costs savings and operating expense reductions are made in compliance with the definition of Pro Forma Adjustment). If any Indebtedness bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account for such entire period, any Hedging Obligation applicable to such Indebtedness with a remaining term of twelve-months or longer, and in the case of any Hedging Obligation applicable to such Indebtedness with a remaining term of less than 12 months, taking into account such Hedging Obligation to the extent of its remaining term). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a Pro Forma Basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period (or, if lower, the greater of (i) maximum commitments under such revolving credit facilities as of the date of determination and (ii) the aggregate principal amount of loans outstanding under such a revolving credit facilities on such date). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

In connection with any action being taken solely in connection with a Limited Condition Acquisition, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of the Consolidated Total Debt to Consolidated EBITDA Ratio or the Fixed Charge Coverage Ratio;

(ii) determining the accuracy of representations and warranties in Section 8 and/or whether a Default or Event of Default shall have occurred and be continuing under Section 11; or

(iii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets and the Payment Conditions baskets (including the Fixed Charge Coverage Ratio as set forth therein));

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "**LCA Election**"), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "**LCA Test Date**") (provided that the Borrower shall be required to make an LCA Election on or prior to the date on which the definitive agreements for such Limited Condition Acquisition have been entered into), and if, after giving Pro Forma Effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent Test Period ending prior to the LCA Test Date (after giving effect to any increases or decrease in Indebtedness of the Borrower and Restricted Subsidiaries since such date), the Borrower could have taken such action on the relevant LCA Test Date in compliance with such ratio, representation, warranty, default, Event of Default or basket, such ratio, representation, warranty, default, Event of Default or basket shall be deemed to have been complied with for purposes of such Limited Condition Acquisition. For the avoidance of doubt, if the Borrower has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of the Borrower or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratios, representations, warranties, defaults, Events of Default or basket availability with respect to the incurrence of Indebtedness or Liens, or the making of Restricted Payments, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratios, representations, warranties, defaults, Events of Default or basket availability shall be calculated on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

(c) Notwithstanding anything to the contrary in this Section 1.12 or in any classification under GAAP of any Person, business, assets or operations in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, no Pro Forma Effect shall be given to any discontinued operations (and the EBITDA attributable to any such Person, business, assets or operations shall not be excluded for any purposes hereunder) until such disposition shall have been consummated.

(d) Any determination of Consolidated Total Assets shall be made by reference to the last day of the Test Period most recently ended on or prior to the relevant date of determination.

(e) Except as otherwise specifically provided herein, all computations of Consolidated Total Assets, Available Amount, Consolidated Total Debt to Consolidated EBITDA Ratio, the Fixed Charge Coverage Ratio and other financial ratios and financial calculations (and all definitions (including accounting terms) used in determining any of the foregoing) and all computations and all definitions (including accounting terms) used in determining compliance with Section 10.7 shall be calculated, in each case, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis.

(f) All leases of any Person that are or would be characterized as operating leases in accordance with GAAP immediately prior to the Closing Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of this Agreement regardless of any change in GAAP following the date that would otherwise require such leases to be recharacterized as Capital Leases.

Section 2. Amount and Terms of Credit.

2.1 Commitments.

(a) Subject to and upon the terms and conditions herein set forth each Revolving Credit Lender severally agrees to make Revolving Credit Loans denominated in Dollars to the Borrower from its applicable lending office (each, a "**Revolving Credit Loan**") in an aggregate principal amount that shall not, after giving effect thereto and to the application of the proceeds thereof, result in (i) such Revolving Credit Lender's Revolving Credit Exposure exceeding such Revolving Credit Lender's Revolving Credit Commitment and (ii) the aggregate Revolving Credit Exposures exceeding the Maximum Borrowing Amount (subject to the Administrative Agent's authority, in its sole discretion, to make Protective Advances and Overadvances pursuant to the terms of Section 2.15), provided that any of the foregoing such Revolving Credit Loans (A) shall be made at any time and from time to time on and after the Restatement Effective Date and prior to the Revolving Credit Maturity Date, (B) may, at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans that are Revolving Credit Loans; provided that all Revolving Credit Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Credit Loans of the same Type, (C) may be repaid (without premium or penalty) and reborrowed in accordance with the provisions hereof, (D) shall not, for any Lender at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Revolving Credit Lender's Revolving Credit Exposure in respect of any Class of Revolving Loans at such time exceeding such Revolving Credit Lender's Revolving Credit Commitment in respect of such Class of Revolving Loan at such time and (E) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures at such time exceeding the Total Revolving Credit Commitment then in effect or the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures of any Class of Revolving Loans at such time exceeding the aggregate Revolving Credit Commitment with respect to such Class.

(b) Subject to and upon the terms and conditions herein set forth, the Swingline Lender is authorized by the Lenders to, and may, in its sole discretion, at any time and from time to time on and after the Restatement Effective Date and prior to the Swingline Maturity Date, make a loan or loans (each, a "**Swingline Loan**" and, collectively the "**Swingline Loans**") to the Borrower (provided that the Swingline Lender shall not be obligated to make any Swingline Loan), which Swingline Loans (i) shall be ABR Loans, (ii) shall have the benefit of the provisions of Section 2.1(c), (iii) shall not exceed at any time outstanding the Swingline Commitment, (iv) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures at such time exceeding the Maximum Borrowing Amount at such time and (v) may be repaid and reborrowed in accordance with the provisions hereof. On the Swingline Maturity Date, all Swingline Loans shall be repaid in full. The Swingline Lender shall not make any Swingline Loan after receiving a written notice from Holdings, the Borrower, the Administrative Agent or the Required Lenders stating that a Default or Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice of (i) rescission of all such notices from the party or parties originally delivering such notice or (ii) the waiver of such Default or Event of Default in accordance with the provisions of Section 13.1.

(c) On any Business Day, the Swingline Lender may, in its sole discretion, give notice to each Revolving Credit Lender that all then outstanding Swingline Loans shall be funded with a Borrowing of Revolving Credit Loans (provided that, if no such notice is given by the Swingline Lender within seven days of making any Swingline Loan, notice to each Revolving Credit Lender shall be deemed to be provided by the Swingline Lender in accordance with this Section 2.1(c)), in which case Revolving Credit Loans constituting ABR Loans shall be made

on the immediately succeeding Business Day (each such Borrowing, a "**Mandatory Borrowing**") by each Revolving Credit Lender pro rata based on each Revolving Credit Lender's Revolving Credit Commitment Percentage, and the proceeds thereof shall be applied directly to the Swingline Lender to repay the Swingline Lender for such outstanding Swingline Loans. Each Revolving Credit Lender hereby irrevocably agrees to make such Revolving Credit Loans upon one Business Days' notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified to it in writing by the Swingline Lender notwithstanding (i) that the amount of the Mandatory Borrowing may not comply with the minimum amount for each Borrowing specified in Section 2.2, (ii) whether any conditions specified in Section 7 are then satisfied, (iii) whether a Default or an Event of Default has occurred and is continuing, (iv) the date of such Mandatory Borrowing, or (v) any reduction in the Total Revolving Credit Commitment after any such Swingline Loans were made. In the event that, in the sole judgment of the Swingline Lender, any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including as a result of the commencement of a proceeding under the Bankruptcy Code in respect of the Borrower), each Revolving Credit Lender hereby agrees that it shall forthwith purchase from the Swingline Lender (without recourse or warranty) such participation of the outstanding Swingline Loans as shall be necessary to cause the Lenders to share in such Swingline Loans ratably based upon their respective Revolving Credit Commitment Percentages; provided that all principal and interest payable on such Swingline Loans shall be for the account of the Swingline Lender until the date the respective participation is purchased and, to the extent attributable to the purchased participation, shall be payable to such Lender purchasing same from and after such date of purchase.

(d) If the maturity date shall have occurred in respect of any tranche of Revolving Credit Commitments (the "**Expiring Credit Commitment**") at a time when another tranche or tranches of Revolving Credit Commitments is or are in effect with a longer maturity date (each a "**Non-Expiring Credit Commitment**" and collectively, the "**Non-Expiring Credit Commitments**"), then with respect to each outstanding Swingline Loan, if consented to by the Swingline Lender (such consent not to be unreasonably withheld, conditioned or delayed), on the earliest occurring maturity date such Swingline Loan shall be deemed reallocated to the tranche or tranches of the Non-Expiring Credit Commitments on a pro rata basis; provided that (x) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation the amount of Swingline Loans to be reallocated equal to such excess shall be repaid or Cash Collateralized and (y) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the Borrower shall still be obligated to pay Swingline Loans allocated to the Revolving Credit Lenders holding the Expiring Credit Commitments at the maturity date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the maturity date of the Expiring Credit Commitment. Upon the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Swingline Loans may be reduced as agreed between the Swingline Lender and the Borrower, without the consent of any other Person.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Revolving Credit Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and in a multiple of $100,000 in excess thereof and Swingline Loans shall be in a minimum amount of $50,000 and in a multiple of $100,000 in excess thereof (except that Mandatory Borrowings shall be made in the amounts required by Section 2.1(c) and Revolving Credit Loans to reimburse the Letter of Credit Issuer with respect to any Unpaid Drawing shall be made in the amounts required by Section 3.3 or Section 3.4, as applicable). More than one Borrowing may be incurred on any date; provided that at no time shall there be outstanding more than ten Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing.

(a) Whenever the Borrower desires to incur Revolving Credit Loans (other than Mandatory Borrowings or Borrowings to repay Unpaid Drawings), the Borrower shall give the Administrative Agent at the Administrative Agent's Office, (i) prior to 12:00 noon (New York City time) at least three Business Days' prior written notice of each Borrowing of LIBOR Loans that are Revolving Credit Loans and (ii) prior to 12:00 noon (New York City time) on the day of such Borrowing prior written notice of each Borrowing of Revolving Credit Loans that are ABR Loans. Such notice (a "**Notice of Borrowing**"), except as otherwise expressly provided in Section 2.10, shall specify (A) the aggregate principal amount of the Revolving Credit Loans to be made pursuant to such Borrowing, (B) the date of Borrowing (which shall be a Business Day) and (C) whether the respective

Borrowing shall consist of ABR Loans or LIBOR Loans that are Revolving Credit Loans and, if LIBOR Loans that are Revolving Credit Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Revolving Credit Lender written notice of each proposed Borrowing of Revolving Credit Loans, of such Lender's Revolving Credit Commitment Percentage thereof, of the identity of the Borrower, and of the other matters covered by the related Notice of Borrowing.

(b) Whenever the Borrower desires to incur Swingline Loans hereunder, the Borrower shall give the Swingline Lender written notice with a copy to the Administrative Agent of each Borrowing of Swingline Loans prior to 2:00 p.m. (New York City time) on the date of such Borrowing. Each such notice shall specify (x) the aggregate principal amount of the Swingline Loans to be made pursuant to such Borrowing and (y) the date of Borrowing (which shall be a Business Day).

(c) Mandatory Borrowings shall be made upon the notice specified in Section 2.1(c), with the Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of Mandatory Borrowings as set forth in such Section.

(d) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4(a).

(e) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it shall give hereunder by telephone (which obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

2.4 Disbursement of Funds.

(a) No later than 2:00 p.m. (New York City time) on the date specified in each Notice of Borrowing (including Mandatory Borrowings), each Lender shall make available its pro rata portion, if any, of each Borrowing requested to be made on such date in the manner provided below; provided that on the Restatement Effective Date, such funds may be made available at such earlier time as may be agreed among the Lenders, the Borrower, and the Administrative Agent for the purpose of consummating the Transactions; provided, further, that all Swingline Loans shall be made available to the Borrower in the full amount thereof by the Swingline Lender no later than 4:00 p.m. (New York City time).

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds, to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will (except in the case of Mandatory Borrowings and Borrowings to repay Unpaid Drawings) make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt.

(a) The Borrower shall repay to the Administrative Agent for the benefit of the Revolving Credit Lenders, on the Revolving Credit Maturity Date, the then outstanding Revolving Credit Loans. The Borrower shall repay to the Administrative Agent for the benefit of the Incremental Lenders, on each Incremental Revolving Credit Maturity Date, the then outstanding amount of Incremental Revolving Credit Loans. The Borrower shall repay to the Swingline Lender, on the Swingline Maturity Date, the then outstanding Swingline Loans. The Borrower shall repay to the Administrative Agent, on the earlier of the Maturity Date and demand by the Administrative Agent, the then outstanding Protective Advances.

(b) At all times after the commencement and during the continuance of a Cash Dominion Period, and notification thereof by the Administrative Agent to the Borrower (subject to the provisions of Section 9.17(b)), on each Business Day, at or before 1:00 p.m. (New York time), the Administrative Agent shall apply all immediately available funds credited on behalf of the Borrower to a Payment Account or such other account directed by the Administrative Agent pursuant to Section 5.17(b) in accordance with Section 11.13 (except (A) clause (i) thereof and (B) to Secured Cash Management Obligations and Secured Hedge Obligations).

(c) In the event that any Incremental Revolving Credit Loans are made, such Incremental Revolving Credit Loans shall, subject to Section 2.14, be repaid by the Borrower in the amounts and on the dates set forth in the applicable Incremental Facility Amendment.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is a Revolving Credit Loan, Incremental Revolving Credit Loan or Swingline Loan, the Type of each Loan made and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that in the event of any inconsistency between the Registrar and any such account or subaccount, the Registrar shall govern; provided, further, that the failure of any Lender, the Administrative Agent or the Swingline Lender to maintain such account, such Register or subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(g) The Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made an initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit G, evidencing the Revolving Loans and Swingline Loans owing to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 13.6) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if requested by such payee, to such payee and its registered assigns).

2.6 Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $5,000,000 of the outstanding principal amount of Revolving Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; provided that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent prior written notice at the Administrative Agent's Office prior to 12:00 noon (New York City time) at least (i) three Business Days prior, in the case of a continuation of or conversion to LIBOR Loans (other than in the case of a notice delivered on the Restatement Effective Date, which shall be deemed to be effective on the Restatement Effective Date), or (ii) 10:00 a.m. (New York City time) on the proposed day of a conversion into ABR Loans (each, a "**Notice of Conversion or Continuation**" substantially in the form of Exhibit K) specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a LIBOR Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans denominated in Dollars and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a), the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 Pro Rata Borrowings. Each Borrowing of Revolving Credit Loans under this Agreement shall be made by the Revolving Credit Lenders pro rata on the basis of their then-applicable Revolving Credit Commitment Percentages. Each Borrowing of Incremental Revolving Credit Loans under this Agreement shall be made by the Revolving Credit Lenders pro rata on the basis of their then-applicable Incremental Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation, under any Credit Document.

2.8 Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* the ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for LIBOR Loans *plus* the relevant Adjusted LIBOR Rate.

(c) If an Event of Default has occurred and is continuing, if all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon or any other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum (the "**Default Rate**") that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of any other overdue amount, including overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) for the applicable Class *plus* 2.00% from the date of such non-payment to the date on which such amount is paid in full (after as well as before judgment).

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the first Business Day of each fiscal quarter of the Borrower, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period and (iii) in respect of each Loan, (A) on any prepayment in respect thereof, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower, be a one, two, three or six month period (or if approved by all the Lenders making such LIBOR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month or shorter period).

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the Maturity Date of such Loan.

2.10 Increased Costs, Illegality, Etc.

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent and (y) in the case of clauses (ii) and (iii) below, the Required Lenders (or, in the case of clause (ii), the Issuing Bank with respect to Letters of Credit) shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the Adjusted LIBOR Rate for any Interest Period that (x) deposits in the principal amounts and currencies of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Restatement Effective Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Adjusted LIBOR Rate; or

(ii) at any time, that such Lenders or Issuing Bank shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans or Letters of Credit (including the issuance or maintenance thereof or participating therein or an agreement to issue or maintain a Letter of Credit or participate therein) (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to Indemnified Taxes, Excluded Taxes or Other Taxes) because of any Change in Law; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lenders in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Restatement Effective Date that materially and adversely affects the interbank LIBOR market;

(such Loans, "**Impacted Loans**"), then, and in any such event, such Required Lenders (or the Administrative Agent, in the case of clause (i) above or Issuing Bank in the case of clause (ii) above, as applicable) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders and Issuing Bank). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower shall pay to such Lenders or Issuing Bank, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Lenders or Issuing Bank in its reasonable discretion shall determine) as shall be required to compensate such Lenders or Issuing Bank for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to any such Lenders or Issuing Bank, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lenders or Issuing Bank shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto), and (z) in the case of subclause (iii) above, the Borrower shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 2.10(a)(i)(x), the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (x) of the first sentence of the immediately preceding paragraph, (2) the Administrative Agent or the affected Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected LIBOR Loan has been submitted pursuant to Section 2.3 but the affected LIBOR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by Lenders pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Restatement Effective Date, any Change in Law relating to capital adequacy or liquidity of any Lender or Issuing Bank or compliance by any Lender or Issuing Bank or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Restatement Effective Date, has or would have the effect of reducing the actual rate of return on such Lender's (or Issuing Bank's) or its parent's or its Affiliate's capital or assets as a consequence of such Lender's or Issuing Bank's commitments or obligations hereunder to a level below that which such Lender or Issuing Bank or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's (or Issuing Bank's) or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after demand by such Lender or Issuing Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Lender or Issuing Bank such actual additional amount or amounts as will compensate such Lender or Issuing Bank or its parent for such actual reduction, it being understood and agreed, however, that a Lender or Issuing Bank shall not be entitled to such compensation as a result of such Lender's or Issuing Bank's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Restatement Effective Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrower hereunder) under comparable syndicated credit facilities similar to the Credit Facilities. Each Lender and Issuing Bank, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) If the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining its affected LIBOR Loans during such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter (which notice shall include supporting calculations in reasonable detail). If such notice is given, (i) any LIBOR Loan requested to be made on the first day of such Interest Period shall be made an ABR Loan, (ii) any Loans that were to have been converted on the first day of such Interest Period to LIBOR Loans shall be continued as an ABR Loan and (iii) any outstanding LIBOR Loans shall be converted, on the first day of such Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further LIBOR Loans shall be made or continued as such, nor shall the Borrower have the right to convert ABR Loans to LIBOR Loans.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing or a failure to satisfy borrowing conditions, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as a LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Sections 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), promptly pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated

profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in this Section 2.11 and setting forth in reasonable detail the manner in which such amount or amounts were determined shall be delivered to the Borrower and shall be conclusive, absent manifest error. The obligations of the Borrower under this Section 2.11 shall survive the payment in full of the Loans and the termination of this Agreement.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 3.5 or 5.4 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Sections 2.10, 2.11 or 3.5 is given by any Lender more than 120 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Sections 2.10, 2.11 or 3.5, as the case may be, for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower.

2.14 Incremental Facilities.

(a) At any time and from time to time after the Restatement Effective Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly make available to each of the Lenders), request to effect one or more increases in the Revolving Credit Commitments (or, solely to the extent set forth in Section 2.14(d) below, provide commitments under a new facility constituting a Last Out Tranche) (an "**Incremental Commitment**") from one or more Incremental Lenders; provided that (A) at the time of each such request and upon the effectiveness of each Incremental Facility Amendment, no Event of Default shall have occurred and be continuing (except in connection with a Permitted Acquisition or any other Investment not prohibited by the terms of this Agreement, which shall be subject to no continuing Event of Default under Section 11.1 or 11.5) or shall result therefrom, (B) the arrangement, upfront or similar fees in respect of such Incremental Commitment and the extensions of credit thereunder shall be determined by the Borrower and the applicable Incremental Lenders; provided that, except with respect to any Last Out Tranche under Section 2.14(d) below, the Applicable Margins and Commitment Fees hereunder shall be increased if necessary to be consistent with that for such Incremental Commitment, and (C) except as set forth in clause (B) above or, with respect to any Last Out Tranche under Section 2.14(d) below, any Incremental Commitment shall be on the same terms and pursuant to the same documentation applicable to the existing Revolving Credit Commitments hereunder. Notwithstanding anything to the contrary herein, the aggregate principal amount of all Incremental Commitments plus the Total Revolving Credit Commitment shall not exceed $900,000,000. Each Incremental Commitment shall be in a minimum principal amount of $10,000,000 and integral multiples of $5,000,000 in excess thereof (unless the Borrower and the Administrative Agent otherwise agree); provided that such amount may be less than $10,000,000 if such amount represents all the remaining availability under the aggregate principal amount of Incremental Commitments set forth above.

(b) (i) Each notice from the Borrower pursuant to this Section shall set forth the requested amount of the relevant Incremental Commitments.

(ii) Any Incremental Commitments shall become Commitments under this Agreement pursuant to an amendment (an "**Incremental Facility Amendment**") to this Agreement and, as appropriate, the other Credit Documents executed by the Borrower, such applicable Incremental Lenders and the Administrative Agent. Incremental Commitments shall be provided by Incremental Lenders (including any existing Lender (it being understood that no existing Lender shall have any right to participate in any Incremental Commitments or, unless it agrees, be obligated to provide any Incremental Commitments)); provided that each Incremental Lender (except in

respect of a Last Out Tranche) (other than any Person that is a Lender or an Affiliate of a Lender) shall be subject to the written consent of the Administrative Agent, each Letter of Credit Issuer, the Swingline Lender and the Borrower (such approval in each case not to be unreasonably withheld or delayed). An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to (x) effect the provisions of this Section and/or (y) so long as such amendments are not, in the reasonable opinion of the Administrative Agent, materially adverse to the Lenders, maintain the "fungibility" of any such Incremental Commitments with any tranche of then outstanding Loans and or Commitments hereunder.

(c) Any Revolving Loan made pursuant to an Incremental Commitment shall be a "Revolving Loan" for all purposes of this Agreement and the other Credit Documents

(d) Any Incremental Commitment may be in the form of a separate "last-out" tranche (the "**Last Out Tranche**") with interest rate margins, rate floors, upfront fees, funding discounts and original issue discounts and advance rates, in each case to be agreed upon (which, for the avoidance of doubt, shall not require any adjustment to the Applicable Margin or other Loans) among the Borrower and the Incremental Lenders providing the Last Out Tranche so long as (1) any loans and related obligations in respect of the Last Out Tranche are not be guaranteed by any Person other than the Guarantors and are not secured by any assets other than Collateral; (2) as between (x) the Revolving Loans (other than the Last Out Tranche), LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges and (y) the Last Out Tranche, all proceeds from the liquidation or other realization of the Collateral (including ABL Priority Collateral) or application of funds under Section 11.13 shall be applied, first to obligations owing under, or with respect to, the Revolving Loans (other than the Last Out Tranche), the LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges, and second to the Last Out Tranche; (3) the Borrower may not prepay Revolving Loans under the Last Out Tranche or terminate or reduce the commitments in respect thereof at any time that other Revolving Loans (including Swingline Loans) and/or amounts owed in respect of Letters of Credit (unless cash collateralized or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent) are outstanding; (4) the Required Lenders(not including holders of the Last Out Tranche until all Revolving Loans, LC obligations, Noticed Cash Management Obligations and Noticed Hedges are paid in full) shall, subject to the terms of the ABL Intercreditor Agreement, exercise control of remedies in respect of the Collateral; (5) no changes affecting the priority status of the Revolving Loans (other than the Last Out Tranche), the LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges vis-à-vis the Last Out Tranche may be made without the consent of each of the Revolving Credit Lenders (other than the Revolving Credit Lenders under Last Out Tranche), (6) the final maturity of any Last Out Tranche shall not occur, and no Last Out Tranche shall require mandatory commitment reductions prior to, the Latest Maturity Date at such time and (7) except as otherwise set forth in this Section 2.14(d), the terms of any Last Out Tranche are not materially less favorable to the Borrower than those hereunder (including, without limitation, the inclusion of any additional financial or other material covenant without the consent of the Administrative Agent).

(e) Notwithstanding anything to the contrary, this Section 2.14 shall supersede any provisions in Section 13.1 or Section 13.20 to the contrary.

2.15 Protective Advances and Overadvances.

(a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the sole discretion of the Administrative Agent (but, in any such case, none of them shall have absolutely any obligation to) to make Loans in Dollars to the Borrower on behalf of the Revolving Credit Lenders (each such Loan, a "**Protective Advance**"), which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (A) to preserve or protect the Collateral, or any portion thereof, (B) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (C) to pay any other amount chargeable to or required to be paid by the applicable Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 13.5) and other sums payable under the Credit Documents; provided that (1) the aggregate amount of outstanding Protective Advances (taken together with Overadvances under Section 2.15(c)) shall not, at any time, exceed (x) 10% of the Borrowing Base as determined on the date of such proposed Protective Advance or (y) when added to the aggregate Revolving Credit Exposure of all the Revolving Credit Lenders, the aggregate Commitments. Protective Advances may be made even if the conditions precedent set forth in Section 7 have not been satisfied.

All Protective Advances shall be ABR Loans. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that the conditions precedent set forth in Section 7 have been satisfied, the Administrative Agent may request the Revolving Credit Lenders to make a Revolving Credit Loan to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund, in Dollars, their risk participation described in Section 2.15(c).

(b) Upon the making of a Protective Advance (whether before or after the occurrence of a Default) by the Administrative Agent, each Revolving Credit Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance, on a pro rata basis with each other Revolving Credit Lender. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, on a pro rata basis with each other Revolving Credit Lender, all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(c) Notwithstanding anything to the contrary contained elsewhere in this Section 2.15 or this Agreement or the other Credit Documents and whether or not a Default or Event of Default exists at the time, the Administrative Agent may require the Revolving Credit Lenders to honor requests or deemed requests by the Borrower for Revolving Loans at a time that an Overadvance Condition exists or which would result in an Overadvance Condition and each relevant Lender shall be obligated to continue to make its pro rata share of any such Overadvance Loan up to a maximum amount outstanding equal to its Revolving Credit Commitment at such time, so long as the aggregate amount of such Overadvances (taken together with Protective Advances under Section 2.15(a)) shall not, at any time, exceed 10% of the Maximum Borrowing Amount, but in no event shall such Overadvance exist for more than thirty (30) consecutive Business Days or more than forty-five (45) Business Days in any twelve calendar month period; provided, that (i) the aggregate amount of outstanding Overadvances plus any Protective Advances described in Section 2.15(a) plus the aggregate of all other Revolving Credit Exposures shall not exceed the Revolving Credit Commitments and (ii) the Revolving Credit Exposure of any Lender shall not exceed the Revolving Credit Commitment of such Lender. The Administrative Agent's authorization to require Revolving Credit Lenders to honor requests or deemed requests for Overadvance Loans may be revoked at any time by the Required Lenders.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Requirements of Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 13.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Letter of Credit Issuer or Swingline Lender hereunder; *third*, to Cash Collateralize the Letter of Credit Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 3.8; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Letter of Credit Issuer's future Fronting Exposure with respect to

such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 3.8; *sixth*, to the payment of any amounts owing to the Borrower, the Lenders, the Letter of Credit Issuer or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by the Borrower, any Lender, the Letter of Credit Issuer or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *seventh*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 7 were satisfied or waived, such payment shall be applied solely to pay the Loans of and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 4 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its applicable percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 3.8.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Letter of Credit Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Letter of Credit's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to them hereunder or under applicable law, (x) *first*, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) *second*, Cash Collateralize the Letter of Credit Issuers' Fronting Exposure in accordance with the procedures set forth in Section 3.8.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender, and the Letter of Credit Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Credit Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Revolving Credit Commitment Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 Reserves; Change in Reserves; Decisions by Agent. The Administrative Agent may at any time and from time to time in the exercise of its Permitted Discretion establish and increase or decrease Reserves; provided that, as a condition to the establishment of any new category of Reserves, or any increase in Reserves resulting from a change in the manner of determination thereof, any Required Reserve Notice shall have been given to the Borrower; provided, however, that no such Required Reserve Notice shall be required for changes to any Reserves resulting solely by virtue of mathematical calculations of the amount of the Reserve in accordance with the methodology of calculations previously utilized; provided, further, that circumstances, conditions, events or contingencies existing or arising prior to the Restatement Effective Date and, in each case, disclosed in writing in any field examination delivered to the Administrative Agent in connection therewith or otherwise known to the Administrative Agent, in either case, prior to the Restatement Effective Date, shall not be the basis for any establishment of any Reserves after the Restatement Effective Date, unless such circumstances, conditions, events or contingencies shall have changed in a material respect since the Restatement Effective Date. Upon delivery of such notice, the Administrative Agent shall be available to discuss the proposed Reserve or increase, and the Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to the Administrative Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of the Administrative Agent to establish or change such Reserve, unless the Administrative Agent shall have determined in its Permitted Discretion that the event, condition or other matter that is the basis for such new Reserve or such change no longer exists or has otherwise been adequately addressed by the Borrower. Notwithstanding anything herein to the contrary, Reserves shall not duplicate eligibility criteria contained in the definition of "Eligible Credit Card Receivables" or "Eligible Inventory" and vice versa.

Section 3. Letters of Credit.

3.1 Letters of Credit.

(a) Subject to and upon the terms and conditions herein set forth, at any time and from time to time after the Restatement Effective Date and prior to the L/C Facility Maturity Date, each Letter of Credit Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 3, to issue from time to time from the Restatement Effective Date through the L/C Facility Maturity Date for the account of the Borrower (or, so long as a Borrower is the primary obligor and a signatory to the Letter of Credit Request, for the account of Holdings or any Restricted Subsidiary (other than the Borrower)) letters of credit (the "**Letters of Credit**" and each, a "**Letter of Credit**"), which Letters of Credit shall not exceed any such Letter of Credit Issuer's Letter of Credit Commitment and in the aggregate shall not exceed the L/C Sublimit, in such form as may be approved by the applicable Letter of Credit Issuer in its reasonable discretion.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time, would exceed the Letter of Credit Commitment then in effect (or with respect to any Letter of Credit Issuer, exceed such Letter of Credit Issuer's Letter of Credit Commitment); (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the aggregate amount of the Lenders' Revolving Credit Exposures at the time of the issuance thereof to exceed the Total Revolving Credit Commitment then in effect; (iii) each Letter of Credit shall have an expiration date occurring no later than one year

after the date of issuance thereof (except as set forth in Section 3.2(d)), provided that in no event shall such expiration date occur later than the L/C Facility Maturity Date, in each case, unless otherwise agreed upon by the Administrative Agent, the Letter of Credit Issuer and, unless such Letter of Credit has been Cash Collateralized or backstopped (in the case of a backstop only, on terms reasonably satisfactory to such Letter of Credit Issuer), the Revolving Credit Lenders; (iv) the Letter of Credit shall be denominated in Dollars; (v) no Letter of Credit shall be issued if it would be illegal under any applicable law for the beneficiary of the Letter of Credit to have a Letter of Credit issued in its favor; and (vi) no Letter of Credit shall be issued by a Letter of Credit Issuer after it has received a written notice from any Credit Party or the Administrative Agent or the Required Lenders stating that a Default or Event of Default has occurred and is continuing until such time as such Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default in accordance with the provisions of Section 13.1.

(c) Upon at least two Business Days' prior written notice to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, on any day, permanently to terminate or reduce the Letter of Credit Commitment in whole or in part; provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding shall not exceed the Letter of Credit Commitment (or with respect to a Letter of Credit Issuer, the Letters of Credit outstanding with respect to Letters of Credit issued by such Letter of Credit Issuer shall not exceed such Letter of Credit Issuer's Letter of Credit Commitment).

(d) [Reserved].

(e) The Letter of Credit Issuer shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms enjoin or restrain any such Letter of Credit Issuer from issuing such Letter of Credit, or any law applicable to such Letter of Credit Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Letter of Credit Issuer shall prohibit, or request that such Letter of Credit Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Letter of Credit Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (in each case, for which such Letter of Credit Issuer is not otherwise compensated hereunder) not in effect on the Restatement Effective Date, or shall impose upon such Letter of Credit Issuer any unreimbursed loss, cost or expense which was not applicable on the Restatement Effective Date and which such Letter of Credit Issuer in good faith deems material to it;

(ii) the issuance of such Letter of Credit would violate one or more policies of such Letter of Credit Issuer applicable to letters of credit generally;

(iii) except as otherwise agreed by the applicable Letter of Credit Issuer, such Letter of Credit is in an initial Stated Amount less than $50,000, in the case of a commercial Letter of Credit, or $10,000, in the case of a standby Letter of Credit;

(iv) such Letter of Credit is denominated in a currency other than Dollars;

(v) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or

(vi) a default of any Revolving Credit Lender's obligations to fund under Section 3.3 exists or any Revolving Credit Lender is at such time a Defaulting Lender hereunder, unless, in each case, the Borrower have entered into arrangements reasonably satisfactory to the applicable Letter of Credit Issuer to eliminate such Letter of Credit Issuer's risk with respect to such Revolving Credit Lender or such risk has been reallocated in accordance with Section 2.16.

(f) The Letter of Credit Issuer shall not increase the Stated Amount of any Letter of Credit if any such Letter of Credit Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(g) The Letter of Credit Issuer shall be under no obligation to amend any Letter of Credit if (A) any such Letter of Credit Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(h) The Letter of Credit Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith and the Letter of Credit Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Section 13 with respect to any acts taken or omissions suffered by the Letter of Credit Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Section 13 included the Letter of Credit Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Letter of Credit Issuer.

(i) The parties hereto agree that the Existing Letters of Credit shall be deemed to be Letters of Credit for all purposes under this Agreement, without any further action by the Borrowers, the Letter of Credit Issuer or any other Person.

3.2 Letter of Credit Requests.

(a) Whenever the Borrower desires that a Letter of Credit be issued for its account or amended, the Borrower shall give the Administrative Agent and the Letter of Credit Issuer a Letter of Credit Request by no later than 1.00 p.m. (New York City time) at least four Business Days (or such other period as may be agreed upon by the Borrower, the Administrative Agent and the Letter of Credit Issuer) prior to the proposed date of issuance or amendment. Each Letter of Credit Request shall be executed by the Borrower. Such Letter of Credit Request may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the Letter of Credit Issuer, by personal delivery or by any other means acceptable to the Letter of Credit Issuer.

(b) In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the Stated Amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the identity of the applicant; and (H) such other matters as the Letter of Credit Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer (I) the Letter of Credit to be amended; (II) the proposed date of amendment thereof (which shall be a Business Day); (III) the nature of the proposed amendment; and (IV) such other matters as the Letter of Credit Issuer may reasonably require. Additionally, the Borrower shall furnish to the Letter of Credit Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Letter of Credit Issuer or the Administrative Agent may reasonably require.

(c) Unless the Letter of Credit Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Credit Party, at least one Business Day prior to the requested date of issuance or amendment of the Letter of Credit, that one or more applicable conditions contained in Section 6 (solely with respect to any Letter of Credit issued on the Restatement Effective Date) and Section 7 shall not then be satisfied to the extent required thereby, then, subject to the terms and conditions hereof, the Letter of Credit Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or, so long as the Borrower is the primary obligor, for the account of Holdings or another Restricted Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the Letter of Credit Issuer's usual and customary business practices.

(d) If the Borrower so requests in any Letter of Credit Request, the Letter of Credit Issuer shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); provided that any such Auto-Extension Letter of Credit must permit the Letter of Credit Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof and the Borrower not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Letter of Credit Issuer, the Borrower shall not be required to make a specific request to the Letter of Credit Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Letter of Credit Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the L/C Facility Maturity Date, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer; provided, however, that the Letter of Credit Issuer shall not permit any such extension if (A) the Letter of Credit Issuer has reasonably determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (b) of Section 3.1 or otherwise), or (B) it has received written notice on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Sections 6 and 7 are not then satisfied, and in each such case directing the Letter of Credit Issuer not to permit such extension.

(e) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit (including any Existing Letter of Credit) to an advising bank with respect thereto or to the beneficiary thereof, the Letter of Credit Issuer will also deliver to the applicable Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. On the last Business Day of each month, each Letter of Credit Issuer shall provide the Administrative Agent a list of all Letters of Credit (including any Existing Letter of Credit) issued by it that are outstanding at such time.

(f) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower that the Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.1(b).

3.3 Letter of Credit Participations.

(a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each Revolving Credit Lender (each such Revolving Credit Lender, in its capacity under this Section 3.3, an "**L/C Participant**"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "**L/C Participation**"), to the extent of such L/C Participant's Revolving Credit Commitment Percentage in each Letter of Credit, each substitute therefor, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto; provided that the Letter of Credit Fees will be paid directly to the Administrative Agent for the ratable account of the L/C Participants as provided in Section 4.1(b) and the L/C Participants shall have no right to receive any portion of any Fronting Fees.

(b) In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the L/C Participants other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction, shall not create for the Letter of Credit Issuer any resulting liability.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the applicable Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer through the Administrative Agent pursuant to Section 3.4(a), the Administrative Agent shall promptly notify each L/C Participant of such failure, and each L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Revolving

Credit Commitment Percentage of such unreimbursed payment in Dollars and in immediately available funds. If and to the extent such L/C Participant shall not have so made its Revolving Credit Commitment Percentage of the amount of such payment available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at a rate per annum equal to the Overnight Rate from time to time then in effect, plus any administrative, processing or similar fees that are reasonably and customarily charged by the Letter of Credit Issuer in connection with the foregoing. The failure of any L/C Participant to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Revolving Credit Commitment Percentage of any such payment.

(d) Whenever the Administrative Agent receives a payment in respect of an unpaid reimbursement obligation as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any payments from the L/C Participants pursuant to clause (c) above, the Administrative Agent shall promptly pay to each L/C Participant that has paid its Revolving Credit Commitment Percentage of such reimbursement obligation, in Dollars and in immediately available funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by all L/C Participants) of the amount so paid in respect of such reimbursement obligation and interest thereon accruing after the purchase of the respective L/C Participations at the Overnight Rate.

(e) The obligations of the L/C Participants to make payments to the Administrative Agent for the account of the Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances.

(f) If any payment received by the Administrative Agent for the account of the Letter of Credit Issuer pursuant to Section 3.3(c) is required to be returned under any of the circumstances described in Section 3.20 (including pursuant to any settlement entered into by the Letter of Credit Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

3.4 Agreement to Repay Letter of Credit Drawings.

(a) The Borrower hereby agrees to reimburse the Letter of Credit Issuer, by making payment with respect to any drawing under any Letter of Credit in the same currency in which such drawing was made unless the Letter of Credit Issuer (at its option) shall have specified in the notice of drawing that it will require reimbursement in Dollars. Any such reimbursement shall be made by the Borrower to the Administrative Agent in immediately available funds for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit (each such amount so paid until reimbursed, an "**Unpaid Drawing**") no later than the date that is one Business Day after the date on which the Borrower receives written notice of such payment or disbursement (the "**Reimbursement Date**"), with interest on the amount so paid or disbursed by the Letter of Credit Issuer, to the extent not reimbursed prior to 5:00 p.m. (New York City time) on the Reimbursement Date, from the Reimbursement Date to the date the Letter of Credit Issuer is reimbursed therefor at a rate per annum that shall at all times be the Applicable Margin for ABR Loans that are Revolving Credit Loans *plus* the ABR as in effect from time to time, provided that, notwithstanding anything contained in this Agreement to the contrary, (i) unless the Borrower shall have notified the Administrative Agent and the relevant Letter of Credit Issuer prior to 12:00 noon (New York City time) on the Reimbursement Date that the Borrower intends to reimburse the relevant Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, the Borrower shall be deemed to have

given a Notice of Borrowing requesting that, with respect to Letters of Credit, the Revolving Credit Lenders make Revolving Credit Loans (which shall be denominated in Dollars and which shall be ABR Loans) on the Reimbursement Date in the amount of such drawing and (ii) the Administrative Agent shall promptly notify each L/C Participant of such drawing and the amount of its Revolving Credit Loan to be made in respect thereof, and each L/C Participant shall be irrevocably obligated to make a Revolving Credit Loan to the Borrower in Dollars in the manner deemed to have been requested in the amount of its Revolving Credit Commitment Percentage of the applicable Unpaid Drawing by 2:00 p.m. (New York City time) on such Reimbursement Date by making the amount of such Revolving Credit Loan available to the Administrative Agent. Such Revolving Credit Loans shall be made without regard to the Minimum Borrowing Amount. The Administrative Agent shall use the proceeds of such Revolving Credit Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing. In the event that the Borrower fail to Cash Collateralize any Letter of Credit that is outstanding on the L/C Facility Maturity Date, the full amount of the Letters of Credit Outstanding in respect of such Letter of Credit shall be deemed to be an Unpaid Drawing subject to the provisions of this Section 3.4 except that the Letter of Credit Issuer shall hold the proceeds received from the L/C Participants as contemplated above as cash collateral for such Letter of Credit to reimburse any Unpaid Drawing under such Letter of Credit and shall use such proceeds first, to reimburse itself for any Unpaid Drawings made in respect of such Letter of Credit following the L/C Facility Maturity Date, second, to the extent such Letter of Credit expires or is returned undrawn while any such cash collateral remains, to the repayment of obligations in respect of any Revolving Credit Loans that have not been paid at such time and third, to the Borrower or as otherwise directed by a court of competent jurisdiction. Nothing in this Section 3.4(a) shall affect the Borrower's obligation to repay all outstanding Revolving Credit Loans when due in accordance with the terms of this Agreement.

(b) The obligation of the Borrower to reimburse the Letter of Credit Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the applicable Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the Letter of Credit Issuer of any requirement that exists for the Letter of Credit Issuer's protection and not the protection of the Borrower (or Holdings or other Restricted Subsidiary) or any waiver by the Letter of Credit Issuer which does not in fact materially prejudice the Borrower (or Holdings or other Restricted Subsidiary);

(v) any payment made by the Letter of Credit Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vi) any payment by the Letter of Credit Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Letter of Credit Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under the Bankruptcy Code;

(vii) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(viii) any adverse change in any relevant exchange rates or in the relevant currency markets generally; or

(ix) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower (or Holdings or other Restricted Subsidiary) (other than the defense of payment or performance).

(c) The Borrower shall not be obligated to reimburse the Letter of Credit Issuer for any wrongful payment made by the Letter of Credit Issuer under the Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer as determined in the final non-appealable judgment of a court of competent jurisdiction.

3.5 Increased Costs. If after the Restatement Effective Date, the adoption of any applicable law, treaty, rule, or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by the Letter of Credit Issuer or any L/C Participant with any request or directive made or adopted after the Restatement Effective Date (whether or not having the force of law), by any such authority, central bank or comparable agency shall either (x) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C
Participant's L/C Participation therein, or (y) impose on the Letter of Credit Issuer or any L/C Participant any other conditions or costs affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the actual cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the actual amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to Indemnified Taxes, Excluded Taxes or Other Taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly after receipt of written demand to the Borrower by the Letter of Credit Issuer or such L/C Participant, as the case may be (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to a Letter of Credit issued on account of a Borrower (or Holdings or other Restricted Subsidiary))), such Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such actual additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction, it being understood and agreed, however, that the Letter of Credit Issuer or an L/C Participant shall not be entitled to such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the Restatement Effective Date. A certificate submitted to the Borrower by the relevant Letter of Credit Issuer or an L/C Participant, as the case may be (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), setting forth in reasonable detail the basis for the determination of such actual additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrower absent clearly demonstrable error. The obligations of the Borrower under this Section 3.5 shall survive the payment in full of the Obligations and the termination of this Agreement.

3.6 New or Successor Letter of Credit Issuer.

(a) The Letter of Credit Issuer may resign as the Letter of Credit Issuer upon 60 days' prior written notice to the Administrative Agent, the Lenders, Holdings, and the Borrower. The Borrower may replace the Letter of Credit Issuer for any reason upon written notice to the Administrative Agent and the Letter of Credit Issuer. The Borrower may add Letter of Credit Issuers at any time upon notice to the Administrative Agent. If the Letter of Credit Issuer shall resign or be replaced, or if the Borrower shall decide to add a new Letter of Credit Issuer under

this Agreement, then the Borrower may appoint from among the Lenders a successor issuer of Letters of Credit or a new Letter of Credit Issuer, as the case may be, or, with the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), another successor or new issuer of Letters of Credit, whereupon such successor issuer accepting such appointment shall succeed to the rights, powers and duties of the replaced or resigning Letter of Credit Issuer under this Agreement and the other Credit Documents, or such new issuer of Letters of Credit accepting such appointment shall be granted the rights, powers and duties of the Letter of Credit Issuer hereunder, and the term Letter of Credit Issuer shall mean such successor or such new issuer of Letters of Credit effective upon such appointment. At the time such resignation or replacement shall become effective, the Borrower shall pay to the resigning or replaced Letter of Credit Issuer all accrued and unpaid fees applicable to the Letters of Credit pursuant to Sections 4.1(b) and 4.1(d). The acceptance of any appointment as the Letter of Credit Issuer hereunder whether as a successor issuer or new issuer of Letters of Credit in accordance with this Agreement, shall be evidenced by an agreement entered into by such new or successor issuer of Letters of Credit, in a form reasonably satisfactory to the Borrower and the Administrative Agent and, from and after the effective date of such agreement, such new or successor issuer of Letters of Credit shall become the Letter of Credit Issuer hereunder. After the resignation or replacement of the Letter of Credit Issuer hereunder, the resigning or replaced Letter of Credit Issuer shall remain a party hereto and shall continue to have all the rights and obligations of the Letter of Credit Issuer under this Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. In connection with any resignation or replacement pursuant to this clause (a) (but, in case of any such resignation, only to the extent that a successor issuer of Letters of Credit shall have been appointed), either (i) the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall arrange to have any outstanding Letters of Credit issued by the resigning or replaced Letter of Credit Issuer replaced with Letters of Credit issued by the successor issuer of Letters of Credit or (ii) the Borrower shall cause the successor issuer of Letters of Credit, if such successor issuer is reasonably satisfactory to the replaced or resigning Letter of Credit Issuer, to issue "back-stop" Letters of Credit naming the resigning or replaced Letter of Credit Issuer as beneficiary for each outstanding Letter of Credit issued by the resigning or replaced Letter of Credit Issuer, which new Letters of Credit shall be denominated in the same currency as, and shall have a face amount equal to, the Letters of Credit being back-stopped and the sole requirement for drawing on such new Letters of Credit shall be a drawing on the corresponding back-stopped Letters of Credit. After any resigning or replaced Letter of Credit Issuer's resignation or replacement as Letter of Credit Issuer, the provisions of this Agreement relating to the Letter of Credit Issuer shall inure to its benefit as to any actions taken or omitted to be taken by it (A) while it was the Letter of Credit Issuer under this Agreement or (B) at any time with respect to Letters of Credit issued by such Letter of Credit Issuer.

(b) To the extent there are, at the time of any resignation or replacement as set forth in clause (a) above, any outstanding Letters of Credit, nothing herein shall be deemed to impact or impair any rights and obligations of any of the parties hereto with respect to such outstanding Letters of Credit (including, without limitation, any obligations related to the payment of Fees or the reimbursement or funding of amounts drawn), except that the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall have the obligations regarding outstanding Letters of Credit described in clause (a) above.

3.7 Role of Letter of Credit Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Letter of Credit Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Required Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrower's pursuit of such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable or responsible for any of the matters described in

Section 3.3(b); provided that anything in such Section to the contrary notwithstanding, the Borrower may have a claim against a Letter of Credit Issuer, and a Letter of Credit Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such Letter of Credit Issuer's willful misconduct or gross negligence or such Letter of Credit Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit in each case as determined in the final non-appealable judgment of a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Letter of Credit Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

The Letter of Credit Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

3.8 Cash Collateral.

(a) Certain Credit Support Events. Upon the written request of the Administrative Agent or the Letter of Credit Issuer, if (i) as of the L/C Facility Maturity Date, any L/C Obligation for any reason remains outstanding, (ii) the Borrower shall be required to provide Cash Collateral pursuant to Section 11.13, or (iii) the provisions of Section 2.16(a)(v) are in effect, the Borrower shall immediately (in the case of clause (ii) above) or within one Business Day (in all other cases) following any written request by the Administrative Agent or the Letter of Credit Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iii) above, after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to (and subject to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Letter of Credit Issuer and the Lenders, and agree to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein as described in Section 3.8(a), and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 3.8(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the Letter of Credit Issuer as herein provided, other than Permitted Liens, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount (including, without limitation, as a result of exchange rate fluctuations), the Borrower will, promptly upon written demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. Cash Collateral shall be maintained in blocked, interest bearing deposit accounts with the Administrative Agent. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.8 or Sections 2.16, 5.2, or 11.13 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 13.6(b)(ii)) or there is no longer existing an Event of Default) or (ii) the determination by the Administrative Agent and the Letter of Credit Issuer that there exists excess Cash Collateral.

3.9 Applicability of ISP and UCP. Unless otherwise expressly agreed by the Letter of Credit Issuer and the applicable Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the Letter of Credit Issuer shall not be responsible to the Borrower for, and the Letter of Credit Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the Letter of Credit Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the applicable law or any order of a jurisdiction where the Letter of Credit Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade—International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

3.10 Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control and any grant of security interest in any Issuer Documents shall be void.

3.11 Letters of Credit Issued for Restricted Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary, the Borrower shall be obligated to reimburse the Letter of Credit Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or any other Restricted Subsidiaries inures to the benefit of the Borrower and that the Borrower's business derives substantial benefits from the businesses of Holdings and the other Restricted Subsidiaries.

3.12 Provisions Related to Extended Revolving Credit Commitments. If the Letter of Credit Expiration Date in respect of any tranche of Revolving Credit Commitments occurs prior to the expiry date of any Letter of Credit, then (i) if consented to by the Letter of Credit Issuer which issued such Letter of Credit, if one or more other tranches of Revolving Credit Commitments in respect of which the Letter of Credit Expiration Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Credit Lenders to purchase participations therein and to make Revolving Credit Loans and payments in respect thereof pursuant to Sections 3.3 and 3.4) under (and ratably participated in by Lenders pursuant to) the Revolving Credit Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate amount of the unutilized Revolving Credit Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i), the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 3.8. Upon the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Letters of Credit may be reduced as agreed between the Letter of Credit Issuer and the Borrower, without the consent of any other Person.

Section 4. Fees

4.1 Fees.

(a) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for the account of each Revolving Credit Lender (in each case pro rata according to the respective Revolving Credit Commitments of all such Lenders), a commitment fee (the "**Commitment Fee**") for each day from the Restatement Effective Date to the Revolving Credit Termination Date. Each Commitment Fee shall be payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower (for the quarterly period (or portion thereof) ended on the day prior to such day for which no payment has been received) and (y) on the Revolving Credit Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (x) above), and shall be computed for each day during such period at a rate per annum equal to the Commitment Fee Rate in effect on such day on the Available Commitment in effect on such day.

(b) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Revolving Credit Lenders pro rata on the basis of their respective Letter of Credit Exposure, a fee in respect of each Letter of Credit issued on the Borrower's or any of the other Restricted Subsidiaries' behalf (the "**Letter of Credit Fee**"), for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit computed at the per annum rate for each day equal to (i) in the case of any Letter of Credit (other than a Commercial Letter of Credit), the Applicable Margin for Revolving Credit Loans that are LIBOR Loans less the Fronting Fee set forth in clause (d) below and (ii) in the case of any Commercial Letter of Credit, 1.00%. Except as provided below, such Letter of Credit Fees shall be due and payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(c) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for its own account, administrative agent fees as have been previously agreed in writing or as may be agreed in writing from time to time.

(d) Without duplication, the Borrower agree to pay to the Letter of Credit Issuer a fee in Dollars in respect of each Letter of Credit issued by it to the Borrower (the "**Fronting Fee**") (i) with respect to each commercial Letter of Credit, at the rate of 0.125%, computed on the amount of such Letter of Credit, and (ii) with respect to each standby Letter of Credit, for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit, computed at the rate for each day equal to 0.125% per annum on the average daily Stated Amount of such Letter of Credit (or at such other rate per annum as agreed in writing between the Borrower and the Letter of Credit Issuer). Such Fronting Fees shall be due and payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(e) Without duplication, the Borrower agree to pay directly to the Letter of Credit Issuer in Dollars upon each issuance or renewal of, drawing under, and/or amendment of, a Letter of Credit issued by it such amount as shall at the time of such issuance or renewal of, drawing under, and/or amendment be the processing charge that the Letter of Credit Issuer is customarily charging for issuances or renewals of, drawings under or amendments of, letters of credit issued by it.

(f) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

4.2 Voluntary Reduction of Revolving Credit Commitments. Upon at least two Business Days' prior written notice to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, without premium or penalty, on any day, permanently to terminate or reduce the Revolving Credit Commitments in whole or in part; provided that (a) any such reduction shall apply proportionately and permanently to reduce the Revolving Credit Commitment of each of the Lenders of any applicable Class, except that (i) notwithstanding the foregoing, in connection with the establishment on any date of any Incremental Commitments pursuant to Section 2.14(a), the Revolving Credit Commitments of any one or more Lenders providing any such Incremental Commitments on such date shall be reduced in an amount equal to the amount of Revolving Credit Commitments so extended on such date (provided that (x) after giving effect to any such reduction and to the repayment of any Revolving Credit Loans made on such date, the Revolving Credit Exposure of any such Lender does not exceed the Revolving Credit Commitment thereof and (y) for the avoidance of doubt, any such repayment of Revolving Credit Loans contemplated by the preceding clause shall be made in compliance with the requirements of Section 5.3(a) with respect to the ratable allocation of payments hereunder, with such allocation being determined after giving effect to any conversion pursuant to Section 2.14(a) of Revolving Credit Commitments and Revolving Credit Loans into Incremental Commitments and Incremental Revolving Credit Loans pursuant to Section 2.14(a) prior to any reduction being made to the Revolving Credit Commitment of any other Lender) and (ii) the Borrower may at its election permanently reduce the Revolving Credit Commitment of a Defaulting Lender to $0 without affecting the Revolving Credit Commitments of any other Lender, (b) any partial reduction pursuant to this Section 4.2(a) shall be

in the amount of at least $5,000,000, and (c) after giving effect to such termination or reduction and to any prepayments of the Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Revolving Credit Exposures shall not exceed the Total Revolving Credit Commitment and the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class shall not exceed the aggregate Revolving Credit Commitment of such Class.

4.3 Mandatory Termination of Commitments.

(a) The Revolving Credit Commitment shall terminate at 5:00 p.m. (New York City time) on the Revolving Credit Maturity Date.

(b) The Swingline Commitment shall terminate at 5:00 p.m. (New York City time) on the Swingline Maturity Date.

Section 5. Payments

5.1 Voluntary Prepayments.

(a) The Borrower shall have the right to prepay Loans, including Revolving Credit Loans and Swingline Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (1) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than 12:00 noon (New York City time) (i) in the case of LIBOR Loans, three Business Days prior to, (ii) in the case of ABR Loans (other than Swingline Loans), one Business Day prior to, or (iii) in the case of Swingline Loans, on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders or the Swingline Lender, as the case may be; (2) each partial prepayment of (i) any Borrowing of LIBOR Loans shall be in a minimum amount of $5,000,000 and in multiples of $1,000,000 in excess thereof, (ii) any ABR Loans (other than Swingline Loans) shall be in a minimum amount of $1,000,000 and in multiples of $100,000 in excess thereof, and (iii) Swingline Loans shall be in a minimum amount of $500,000 and in multiplies of $100,000 in excess thereof; provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such LIBOR Loans, and (3) in the case of any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto, the Borrower shall, promptly after receipt of a written request by any applicable Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Revolving Credit Loan of a Defaulting Lender.

5.2 Mandatory Prepayments.

(a) [Reserved].

(b) Repayment of Revolving Credit Loans. Except for Protective Advances and Overadvance Loans permitted under Section 2.15, if at any time on any date the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class of Revolving Loans for any reason exceeds the Maximum Borrowing Amount, at such time, the Borrower shall forthwith repay on such date Revolving Loans of such Class in an amount equal to such excess. If after giving effect to the prepayment of all outstanding Revolving Loans of such Class, the Revolving Credit Exposures of such Class exceed the Revolving Credit Commitment of such Class then in effect, the Borrower shall Cash Collateralize the Letters of Credit Outstanding in relation to such Class to the extent of such excess.

(c) [Reserved].

(d) [Reserved].

(e) Application to Revolving Credit Loans. With respect to each prepayment of Revolving Credit Loans, the Borrower may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made and (ii) the Revolving Loans to be prepaid, provided that (y) each prepayment of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans; and (z) notwithstanding the provisions of the preceding clause (y), no prepayment of Revolving Loans shall be applied to the Revolving Credit Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

5.3 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto (or in the case of the Swingline Loans, to the Swingline Lender) or the Letter of Credit Issuer entitled thereto, as the case may be, not later than 12:00 noon (New York City time), in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower (or, in the case of the Swingline Loans, at such office as the Swingline Lender shall specify for such purpose by notice to the Borrower), it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall, unless otherwise specified in such Credit Document, be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 12:00 noon (New York City time) or, otherwise, on the next Business Day in the Administrative Agent's sole discretion) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 12:00 noon (New York City time) may be deemed to have been made on the next succeeding Business Day in the Administrative Agent's sole discretion for purposes of calculating interest thereon (or, in the case of Swingline Loans, at the Swingline Lender's sole discretion). Except as otherwise provided herein, whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes.

(ii) If any applicable Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 5.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholding or deductions been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or timely reimburse the Administrative Agent or any Lender for the payment of any Other Taxes.

(c) Tax Indemnifications. Without limiting the provisions of subsection (a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) payable by the Administrative Agent or such Lender, as the case may be, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole determination of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it. Any resulting refund shall be governed by Section 5.4(f).

(d) Evidence of Payments. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders and Tax Documentation.

(i) Each Lender shall deliver to the Borrower and to the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. Any documentation and information required to be delivered by a Lender pursuant to this Section 5.4(e) (including any specific documentation set forth in subsection (ii) below) shall be delivered by such Lender (i) on or prior to the Restatement Effective Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before any date on which such documentation expires or becomes obsolete or invalid, (iii) promptly after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower and the Administrative Agent, and (iv) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided. Each Lender hereby authorizes the Administrative Agent to deliver to the Borrower and to any successor Administrative Agent any documentation provided to the Administrative Agent pursuant to this Section 5.4(e).

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two executed originals of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding and such other documentation

or information prescribed by applicable laws or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements;

(B) each Non-U.S. Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two copies of whichever of the following is applicable:

(1) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party;

(2) executed originals of Internal Revenue Service Form W-8ECI (or any successor form thereto);

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, substantially in the form of Exhibit J-1, J-2, J-3 or J-4, as applicable, (a "**Non-Bank Tax Certificate**"), to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and that no payments under any Credit Document are effectively connected with such Non-U.S. Lender's conduct of a United States trade or business and (y) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form);

(4) where such Lender is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), executed originals of Internal Revenue Service Form W-8IMY (or any successor thereto) and all required supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the portfolio interest exemption, a Non-Bank Tax Certificate of such beneficial owner(s)) (provided that, if the Non-U.S. Lender is a partnership and not a participating Lender, the Non-Bank Tax Certificate(s) may be provided by the Non-U.S. Lender on behalf of a direct or indirect partner); or

(5) executed originals of any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in United States federal withholding Tax together with such supplementary documentation as may be prescribed by applicable laws to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made;

(C) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

(D) If the Administrative Agent is a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide the Borrower with two duly completed original copies of Internal Revenue Service Form W-9. If the Administrative Agent is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide an applicable Form W-8 (together with required accompanying documentation) with respect to payments to be received by it on behalf of the Lenders.

(iii) Notwithstanding anything to the contrary in this Section 5.4, no Lender or the Administrative Agent shall be required to deliver any documentation that it is not legally eligible to deliver.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 5.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 5.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (provided that the Administrative Agent or such Lender may delete any information therein that it reasonably deems confidential). Notwithstanding anything to the contrary in this paragraph (f), in no event will the Administrative Agent or any Lender be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than the Administrative Agent or any Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 5.4, the term "Lender" includes any Letter of Credit Issuer and any Swingline Lender and the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Credit Documents.

5.5 Computations of Interest and Fees.

(a) Except as provided in the next succeeding sentence, interest on LIBOR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees and the average daily Stated Amount of Letters of Credit shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8; provided that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the maximum rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

Section 6. Conditions Precedent to Initial Borrowing

The obligation of the Lenders to make Revolving Credit Loans, and the obligation of the Letter of Credit Issuer to issue any Letter of Credit, are in each case subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents. The Administrative Agent (or its counsel) shall have received:

(a) this Agreement, executed and delivered by a duly Authorized Officer of the Borrower, the Guarantors and each Lender;

(b) the Guarantees, executed and delivered by a duly Authorized Officer of each of the respective Guarantors;

(c) the Pledge Agreement, executed and delivered by a duly Authorized Officer of Holdings, the Borrower and each Guarantor;

(d) the Security Agreement, executed and delivered by a duly Authorized Officer of the Borrower and each Guarantor; and

(e) the ABL Intercreditor Agreement, executed and delivered by a duly Authorized Officer of each of the Administrative Agent, the Term Loan Administrative Agent and the collateral agent under the Term Loan Facility.

6.2 Collateral. Except for any items referred to on Schedule 9.14:

(a) All outstanding equity interests in whatever form of the Borrower and each Restricted Subsidiary that is directly owned by or on behalf of any Credit Party and required to be pledged pursuant to the Security Documents shall have been pledged pursuant thereto;

(b) The Collateral Agent shall have received, except to the extent delivered to the Collateral Agent under the Term Loan Facility pursuant to the Term Loan Credit Documents and ABL Intercreditor Agreement, certificates representing securities of each Credit Party's Wholly-Owned Restricted Subsidiaries and all promissory notes evidencing Indebtedness that is owing to the Borrower or any other Credit Party, in each case, to the extent required to be delivered under the Security Documents and pledged under the Security Documents to the extent certificated, accompanied by instruments of transfer and undated stock powers or allonges endorsed in blank;

(c) All Uniform Commercial Code financing statements and intellectual property security agreements required to be filed, registered or recorded to create the Liens intended to be created by any Security Document and perfect such Liens to the extent required by such Security Document shall have been delivered to the Collateral Agent, and shall be in proper form, for filing, registration or recording; and

(d) Evidence that all other actions, recordings and filings required by the Security Documents shall have been taken, completed or otherwise provided for thereunder and as provided for therein.

6.3 Legal Opinions. The Administrative Agent (or its counsel) shall have received the executed legal opinion, in customary form, of Simpson Thacher & Bartlett LLP, special New York counsel to the Credit Parties. The Borrower hereby instructs and agrees to instruct the other Credit Parties to have such counsel deliver such legal opinions.

6.4 Excess Availability; Borrowing Base Certificate. After giving effect to the Borrowings and issuance of Letters of Credit on the Restatement Effective Date, the Excess Availability on the Restatement Effective Date shall be no less than $200,000,000 and (ii) the Administrative Agent shall have received a Borrowing Base Certificate prepared as of the last day of the most recent month ended at least fifteen (15) Business Days prior to the Restatement Effective Date.

6.5 Closing Certificates. The Administrative Agent (or its counsel) shall have received a certificate of (x) each of Holdings, the Borrower and the other Guarantors, dated the Restatement Effective Date, substantially in the form of Exhibit E, with appropriate insertions, executed by any Authorized Officer and the Secretary or any Assistant Secretary of Holdings, the Borrower and each other Guarantor, as applicable, and attaching the documents referred to in Section 6.6 and (y) an Authorized Officer of the Borrower certifying compliance with Section 7.1 and certifying that, since January 31, 2015, there has not been any event, change, development, occurrence, or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.6 Authorization of Proceedings of Holdings, the Borrower and the Guarantors; Corporate Documents. The Administrative Agent shall have received (i) a copy of the resolutions of the board of directors or other managers of Holdings, the Borrower and the other Guarantors (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (b) in the case of the Borrower, the extensions of credit contemplated hereunder, (ii) the Certificate of Incorporation and By-Laws, Certificate of Formation and Operating Agreement or other comparable organizational documents, as applicable, of Holdings, the Borrower and the other Guarantors, and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of Holdings, the Borrower and the other Guarantors executing the Credit Documents to which it is a party.

6.7 Fees. The Agents and Lenders shall have received, substantially simultaneously with the initial Borrowing, fees and, to the extent invoiced at least three business days prior to the Restatement Effective Date (except as otherwise reasonably agreed by the Borrower) expenses in the amounts previously agreed in writing to be received on the Restatement Effective Date (which amounts may, at the Borrower's option, be offset against the proceeds of the initial Borrowing).

6.8 Representations and Warranties. On the Restatement Effective Date, all representations made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects.

6.9 Solvency Certificate. On the Restatement Effective Date, the Administrative Agent shall have received a certificate from the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower to the effect that after giving effect to the consummation of the Transactions, the Borrower on a consolidated basis with the Restricted Subsidiaries is Solvent.

6.10 [Reserved].

6.11 Patriot Act. The Administrative Agent and the Joint Lead Arrangers shall have received at least two Business Days prior to the Restatement Effective Date such documentation and information as is reasonably requested in writing at least ten calendar days prior to the Restatement Effective Date by the Administrative Agent or the Joint Lead Arrangers about the Credit Parties to the extent required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

6.12 Financial Statements. The Joint Lead Arrangers and Bookrunners shall have received the Historical Financial Statements.

6.13 No Material Adverse Effect. Since January 31, 2015, there has not occurred any event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.14 Refinancing. Substantially simultaneously with the funding of the Initial Term Loans (as defined in the Term Loan Credit Agreement), the Restatement Effective Date Refinancing shall be consummated.

For purposes of determining compliance with the conditions specified in Section 6 on the Restatement Effective Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Restatement Effective Date specifying its objection thereto.

Section 7. Conditions Precedent to All Credit Events.

The agreement of each Lender to make any Loan requested to be made by it on any date (excluding Mandatory Borrowings and Revolving Credit Loans required to be made by the Revolving Credit Lenders in respect of Unpaid Drawings pursuant to Sections 3.3 and 3.4) and the obligation of the Letter of Credit Issuers to issue Letters of Credit on any date is subject to the satisfaction (or waiver) of the following conditions precedent:

7.1 No Default; Representations and Warranties; No Cure Period. At the time of each Credit Event and also after giving effect thereto (other than any Credit Event on the Restatement Effective Date or pursuant to any Loan made pursuant to Section 2.14 (which shall be subject to the applicable terms of Section 2.14) (a) no Default or Event of Default shall have occurred and be continuing, (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) as of such earlier date) and (c) no Cure Period shall have occurred and be continuing.

7.2 Notice of Borrowing; Letter of Credit Request.

(a) Prior to the making of each Revolving Credit Loan (other than any Revolving Credit Loan made pursuant to Section 3.4(a)) and each Swingline Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3.

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

7.3 Excess Availability. On the proposed date of such Credit Event, the amount of the proposed Borrowing or Letter of Credit issuance (together with all outstanding Borrowings and Letters of Credit Outstanding) shall not exceed the Maximum Borrowing Amount.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified in Section 7 above have been satisfied as of that time.

Section 8. Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans and issue or participate in Letters of Credit as provided for herein, the Borrower (and, with respect to Sections 8.1, 8.2, 8.3, 8.10 and 8.19 only, Holdings and each Texas Intermediate Holdco) makes the following representations and warranties to the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law):

8.1 Corporate Status. Each Credit Party and each Delaware Intermediate Holdco (a) is a duly organized and validly existing corporation, limited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Each Credit Party and each Delaware Intermediate Holdco has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party and each Delaware Intermediate Holdco has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party or Delaware Intermediate Holdco, as applicable, enforceable in accordance with its terms (provided that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent enforceability of such obligation with respect to which Capital Stock and Stock Equivalents of Foreign Subsidiaries is governed by the Uniform Commercial Code), except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

8.3 No Violation. Neither the execution, delivery or performance by any Credit Party or any Delaware Intermediate Holdco of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Transactions and the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents or Permitted Liens) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound (any such term,

covenant, condition or provision, a "**Contractual Requirement**") other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect or (c) violate any provision of the certificate of incorporation, by-laws, articles or other organizational documents of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (after giving effect to the Transactions).

8.4 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

8.5 Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of each Credit Document does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings or consents the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect.

8.7 Investment Company Act. None of the Borrower or any Restricted Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Restricted Subsidiaries or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger, and/or any Lender on or before the Restatement Effective Date (including all such written information and data contained in (i) the Lender Presentation (as updated prior to the Restatement Effective Date and including all information incorporated by reference therein) and (ii) the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates), it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include pro forma financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking statements or information) or other forward looking information and information of a general economic or general industry nature.

(b) The projections (including financial estimates, forecasts, and other forward-looking information) contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

8.9 Financial Condition; Financial Statements.

(a) (i) The unaudited historical consolidated financial information of the Borrower as set forth in the Lender Presentation, and (ii) the Historical Financial Statements, in each case present fairly in all material respects the consolidated financial position of the Borrower at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The Historical Financial Statements have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes to said financial statements.

(b) There has been no Material Adverse Effect since the Restatement Effective Date.

Each Lender and the Administrative Agent hereby acknowledges and agrees that the Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default or an Event of Default under the Credit Documents.

8.10 Compliance with Laws; No Default. Each Credit Party and each Delaware Intermediate Holdco is in compliance with all Requirements of Law applicable to it or its property, except where the failure to be so in compliance would not reasonably be expected to result in a Material Adverse Effect. No Borrowing or Letter of Credit, use of proceeds, or the Transactions will violate Anti-Corruption Laws or applicable Sanctions. No Default has occurred and is continuing.

8.11 Tax Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (a) each of the Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) with respect thereto in accordance with GAAP and (b) each of the Borrower and each of the Restricted Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) in accordance with GAAP for the payment of all Taxes not yet due and payable. There is no current or proposed Tax assessment, deficiency or other claim against the Borrower or any Restricted Subsidiary that would reasonably be expected to result in a Material Adverse Effect.

8.12 Compliance with ERISA.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, no Foreign Plan Event has occurred or is reasonably expected to occur.

8.13 Subsidiaries. Schedule 8.13 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Restatement Effective Date.

8.14 Intellectual Property. Each of the Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure to own or have a right to use such Intellectual Property would not reasonably be expected to have a Material Adverse Effect. The operation of their respective businesses by each of the Borrower and the Restricted Subsidiaries does not infringe upon, misappropriate, violate or otherwise conflict with the Intellectual Property of any third party, except as would not reasonably be expected to have a Material Adverse Effect.

8.15 Environmental Laws.

(a) Except as set forth on Schedule 8.15, or as would not reasonably be expected to have a Material Adverse Effect: (i) each of the Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of the Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of the Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of the Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 8.15, none of the Borrower or any of the Restricted Subsidiaries has treated, stored, transported, released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or formerly owned or operated property nor, to the knowledge of the Borrower, has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected to have a Material Adverse Effect.

8.16 Properties.

(a) (i) Each of the Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) and except where the failure to have such good title or interest would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and (ii) no Mortgage encumbers improved Real Estate that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the Flood Insurance Laws, unless flood insurance available under such Flood Insurance Laws has been obtained in accordance with Section 9.3(b).

(b) Set forth on Schedule 1.1(a) is a list of each real property owned by the Borrower or any Subsidiary Credit Party as of the Restatement Effective Date having a Fair Market Value in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period.

8.17 Solvency. On the Restatement Effective Date (after giving effect to the Transactions) immediately following the making of the Loans and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with the Restricted Subsidiaries will be Solvent.

8.18 Patriot Act. On the Closing Date, each of Holdings, the Borrower and the Restricted Subsidiaries is in compliance in all material respects with the Patriot Act, and Holdings and the Borrower have provided to the Administrative Agent all information related to Holdings, the Borrower and the Restricted Subsidiaries (including but not limited to names, addresses and tax identification numbers (if applicable)) reasonably requested in writing by the Administrative Agent and mutually agreed to be required by the Patriot Act to be obtained by the Administrative Agent or any Lender.

8.19 Security Interest in Collateral. Subject to the provisions of this Agreement and the other Credit Documents, the Credit Documents create legal, valid, and enforceable Liens on all of the Collateral in favor of the Collateral Agent, for the benefit itself and the other Secured Parties, subject, as to enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing, and upon the making of such filings and taking of such other actions required to be taken hereby or by the applicable Credit Documents (including the filing of appropriate UCC financing statements with the office of the Secretary of State of the state of organization of each Credit Party or equivalent filings under applicable foreign law, the filing of appropriate notices with the U.S. Patent and Trademark Office and the U.S. Copyright Office, and the proper recordation of Mortgages and fixture filings with respect to any Mortgaged Property, in each case in favor of the Collateral Agent for the benefit of the Secured Parties and the delivery to the Collateral Agent of any stock certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents), such Liens constitute perfected and continuing Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions subject to no other Liens (other than Liens permitted by Section 10.2).

Section 9. Affirmative Covenants.

The Borrower (and, with respect to Sections 9.11, 9.12 and 9.14 only, Holdings) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated or been collateralized in accordance with the terms of this Agreement and the Loans and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations and Letters of Credit collateralized in accordance with the terms of this Agreement), are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of each fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal years, all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern (other than any qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date under any Indebtedness, (ii) any potential inability to satisfy a financial maintenance covenant (including Section 10.7) on a future date or in a future period or (iii) the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiary).

(b) Quarterly Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 45 days after the end of each such quarterly accounting period), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of such quarterly period and the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of the applicable quarterly period, and, commencing with the quarter ending August 1, 2015, setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the related period in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Restricted Subsidiaries in accordance with GAAP (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes.

(c) Budgets. Prior to an IPO, within 90 days after the commencement of each fiscal year of the Borrower, a consolidated budget of the Borrower in reasonable detail on a quarterly basis for such fiscal year as customarily prepared by management of the Borrower for its internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting forth the principal assumptions upon which such budget is based (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Borrower stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time of preparation of such Projections, it being understood and agreed that such Projections and assumptions as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material.

(d) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 9.1(a) and (b), (A) a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth (i) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Restatement Effective Date or the most recent fiscal year or period, as the case may be, and (B) a Compliance Certificate setting forth the Fixed Charge Coverage Ratio for the last Test Period regardless of whether a Compliance Period exists. At the time of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) to the Person organized in a jurisdiction where an organizational identification number is

required to be included in a Uniform Commercial Code financing statement, in each case for each Credit Party or confirming that there has been no change in such information since the Restatement Effective Date or the date of the most recent certificate delivered pursuant to this clause (d), as the case may be.

(e) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that would reasonably be expected to be determined adversely and, if so determined, to result in a Material Adverse Effect.

(f) Environmental Matters. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge of any one or more of the following environmental matters, unless such environmental matters would not reasonably be expected to result in a Material Adverse Effect, notice of:

(i) any pending or threatened Environmental Claim against any Credit Party or any Real Estate; and

(ii) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, Release or threatened Release of any Hazardous Material on, at, under or from any Real Estate.

All such notices shall describe in reasonable detail the nature of the claim, investigation or removal, remedial or other corrective action in response thereto. The term "**Real Estate**" shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

(g) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements (other than drafts of pre-effective versions of registration statements) with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Restricted Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices, and reports that the Borrower or any of the Restricted Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Restricted Subsidiaries, in their capacity as such holders, lenders or agents (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; provided that none of the Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective contractors) is prohibited by law, or any binding agreement, (iii) that is subject to attorney client or similar privilege or constitutes attorney work product or (iv) that is otherwise subject to Section 13.16 or the limitations set forth in Section 9.2.

(h) Borrowing Base Certificate. As soon as available but in any event on or prior to 15th Business Day following the end of the previous fiscal month beginning with the first fiscal month ending after the Restatement Effective Date, a Borrowing Base Certificate as of the close of business on the last day of the immediately preceding fiscal month, substantially in the form of Exhibit N hereto; provided that the Borrower may elect to deliver the Borrowing Base Certificate on a more frequent basis but if such election is exercised, it must be continued until the date that is 30 days after the date of such election (with a frequency equal to that of the initial additional Borrowing Base Certificate delivered by the Borrower for such period); provided, further, that upon the commencement and during the continuance of a Weekly Reporting Period, the Borrower shall deliver a Weekly Borrowing Base Certificate and such supporting

information on Wednesday of each week (or if Wednesday is not a Business Day, on the next succeeding Business Day), as of the close of business on the immediately preceding Saturday; provided, further, that upon the sale or other disposition of Collateral of any Credit Party included in the Borrowing Base outside of the ordinary course of business yielding net cash proceeds of $50,000,000 or more, the Borrower shall also furnish an updated Borrowing Base Certificate giving pro forma effect thereto promptly upon the receipt of the net cash proceeds from such sale or other disposition.

Documents required to be delivered pursuant to clauses (a), (b), and (g) of this Section 9.1 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet; (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another 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), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov; provided that (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and its Restricted Subsidiaries by furnishing (A) the Form 10-K or 10-Q (or the equivalent), as applicable, of the Borrower (or a parent company thereof) filed with the SEC or with a similar regulatory authority in a foreign jurisdiction or (B) the applicable financial statements of Holdings (or any direct or indirect parent of Holdings); provided that to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

Each Credit Party hereby acknowledges and agrees that, unless the Borrower notifies the Administrative Agent in advance, all financial statements and certificates furnished pursuant to Sections 9.1(a), (b) and (d) above are hereby deemed to be suitable for distribution, and to be made available, to all Lenders and may be treated by the Administrative Agent and the Lenders as not containing any material nonpublic information.

9.2 Books, Records, and Inspections; Field Examinations.

(a) The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, and appraisers, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, excluding any such visits and inspections during the continuation of an Event of Default, (a) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (b) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at the Borrower's expense, and (c) notwithstanding anything to the contrary in this Section 9.2, none of the Borrower or any of the Restricted Subsidiaries 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 (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any agreement binding on a third-party or (iii) is subject to attorney-client or similar privilege or

constitutes attorney work product; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower independent public accountants.

(b) At reasonable times during normal business hours and upon reasonable prior notice that the Administrative Agent requests, independently of or in connection with the visits and inspections provided for in clause (a) above, the Administrative Agent may conduct (or engage third parties to conduct) such field examinations, verifications and evaluations as the Administrative Agent may deem necessary or appropriate; provided that in any calendar year, the Borrower shall only be required to cover the costs of one such periodic field examinations and one such inventory appraisal, except as follows:

(i) if Excess Availability has for any five consecutive Business Days been less than the greater of (x) 17.5% of the Maximum Borrowing Amount and (y) $70,000,000, no more than two such appraisals and two such field examinations shall be at the Borrower's expense during the following 12-calendar month period; and

(ii) at any time after the occurrence and during the continuation of a Specified Default, as many field examinations as shall be determined by the Administrative Agent in its Permitted Discretion at the Borrower's expense.

The Administrative Agent shall provide the Borrower with a reasonably detailed accounting of all such expenses payable by the Borrower.

(c) The Credit Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Credit Parties' assets for internal use by the Administrative Agent and the Lenders, subject to the provisions of Section 13.6.

9.3 Maintenance of Insurance. (a) The Borrower will, and will cause each Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried and (b) with respect to each Mortgaged Property, the Borrower will obtain flood insurance in such form and in such total amount as may reasonably be required by the Collateral Agent, if at any time the area in which any improvements located on any Mortgaged Property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and otherwise comply with the Flood Insurance Laws. Each such policy of insurance shall (i) name the Collateral Agent, on behalf of the Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a mortgagee/loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties as the mortgagee/loss payee thereunder.

9.4 Payment of Taxes. The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it (including in its capacity as a withholding agent) or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Restricted Subsidiaries; provided that neither the Borrower nor any of the Restricted Subsidiaries shall be required to pay any such Tax that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto in accordance with GAAP or the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

9.5 Preservation of Existence; Consolidated Corporate Franchises. The Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Permitted Investments and Sections 10.2, 10.3, 10.4, or 10.5.

9.6 Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Restricted Subsidiary to, (a) comply with all applicable laws, rules, regulations, and orders applicable to it or its property, including, without limitation, applicable laws administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations promulgated thereunder, and all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, (b) comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws, and (c) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives which are being timely contested in good faith by proper proceedings, except in each case of (a), (b), and (c) of this Section 9.6, where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

9.7 ERISA. (a) The Borrower will furnish to the Administrative Agent promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Credit Party or any of its Subsidiaries may request with respect to any Multiemployer Plan to which a Credit Party or any of its Subsidiaries is obligated to contribute; provided that if the Credit Parties or any of their Subsidiaries have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Credit Parties shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; provided, further, that the rights granted to the Administrative Agent in this Section shall be exercised not more than once during a 12-month period, and (b) the Borrower will notify the Administrative Agent promptly following the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, would reasonably be expected to result in liability of any Credit Party that would reasonably be expected to have a Material Adverse Effect.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, (i) keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted and (ii) prosecute, maintain, enforce and protect its Intellectual Property material to the conduct of its business, except, in each case, to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower and the Restricted Subsidiaries) involving aggregate payments or consideration in excess of $25,000,000 at the time of such Affiliate transaction, for any individual transaction or series of related transactions on terms that are at least substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, as determined by the board of directors of the Borrower or such Restricted Subsidiary in good faith; provided that the foregoing restrictions shall not apply to (a) the payment of fees to the Sponsor for management, consulting and financial services rendered to the Borrower and the Restricted Subsidiaries pursuant to the Sponsor Management Agreement and customary investment banking fees paid to the Sponsor for

services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions which payments are approved by a majority of the board of directors of the Borrower in good faith, (b) transactions permitted by Section 10.5, (c) consummation of the Transactions and the payment of the Transaction Expenses, (d) the issuance of Capital Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents, (e) loans, advances and other transactions between or among the Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which the Borrower or any Subsidiary has invested (and which Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or a Subsidiary's ownership of Capital Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers, employees or consultants (including management and employee benefit plans or agreements, stock option plans and other compensatory arrangements) in the ordinary course of business (including loans and advances in connection therewith), (g) payments by the Borrower (and any direct or indirect parent thereof) and the Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Subsidiaries that are permitted under Section 10.5(b)(15); provided that in each case the amount of such payments in any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such direct or indirect parent company of the Borrower, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers or employees of the Borrower (or any direct or indirect parent thereof) and the Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Subsidiaries, (i) transactions undertaken pursuant to membership in a purchasing consortium, (j) transactions pursuant to any agreement or arrangement as in effect as of the Restatement Effective Date, or any amendment, modification, supplement or replacement thereto (so long as any such amendment, modification, supplement or replacement is not disadvantageous in any material respect to the Lenders when taken as a whole as compared to the applicable agreement as in effect on the Restatement Effective Date as determined by the Borrower in good faith), (k) customary payments by the Borrower (or any direct or indirect parent) and any Restricted Subsidiaries to the Sponsor made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), (l) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in contemplation of such designation or redesignation, as applicable, (m) Affiliate repurchases of the Loans or Commitments to the extent permitted hereunder and the holding of such Loans or Commitments and the payments and other transactions contemplated herein in respect thereof, (n) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility and (o) undertaking or consummating any IPO Reorganization Transactions.

9.10 End of Fiscal Years. The Borrower will, for financial reporting purposes, cause each of its, and each of the Restricted Subsidiaries', fiscal years to end on dates consistent with past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent change the financial reporting convention specified above to (x) align the dates of such fiscal year and for any Restricted Subsidiary whose fiscal years end on dates different from those of the Borrower or (y) any other financial reporting convention (including a change of fiscal year) reasonably acceptable (such consent not to be unreasonably withheld or delayed) to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors. Subject to any applicable limitations set forth in the Security Documents, (x) the Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the Closing Date (including pursuant to a Permitted Acquisition) and the Borrower will cause each other Subsidiary that ceases to constitute an Excluded Subsidiary and (y) subject to Section 9.14 in the case of the Delaware Intermediate Holdcos, Holdings will cause each direct or indirect Subsidiary (other than the Borrower and its Subsidiaries) formed or otherwise purchased or acquired after the

Closing Date that directly or indirectly through a Subsidiary own or holds any Capital Stock or Stock Equivalents of the Borrower or that is a Delaware Intermediate Holdco that is required to Guarantee the Obligations pursuant to Section 9.14, in each case, within 60 days from the date of such formation, acquisition or cessation (or, in the case of the Delaware Intermediate Holdcos, the period set forth in Section 9.14), as applicable (or such longer period as the Administrative Agent may agree in its reasonable discretion), and the Borrower may at its option cause any other Subsidiary, to execute a supplement to each of the Guarantee, the Pledge Agreement and the Security Agreement in order to become a Guarantor under the Guarantee and a grantor under such Security Documents or, to the extent reasonably requested by the Collateral Agent, enter into a new Security Document substantially consistent with the analogous existing Security Documents and otherwise in form and substance reasonably satisfactory to the Collateral Agent and take all other action reasonably requested by the Collateral Agent to grant a perfected security interest in its assets to substantially the same extent as created and perfected by the Borrower and the Subsidiary Credit Parties (or in the case of clause (y) above, to substantially the same extent as created and perfected by Holdings and the Texas Intermediate Holdcos) on the Closing Date and pursuant to Section 9.14(d) in the case of such Credit Parties. For the avoidance of doubt, no Credit Party or any Restricted Subsidiary that is a Domestic Subsidiary shall be required to take any action outside the United States to perfect any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, any State thereof or the District of Columbia).

9.12 Pledge of Additional Stock and Evidence of Indebtedness. Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, Holdings will cause (i) all certificates representing Capital Stock and Stock Equivalents of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by Holdings or any other Credit Party, (ii) all evidences of Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of any disposition of assets pursuant to Section 10.4(b) received by Holdings, the Borrower or any of the Guarantors in connection with any disposition of assets pursuant to Section 10.4(b), and (iii) any promissory notes executed after the Closing Date evidencing Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such promissory note is executed of Holdings or any Subsidiary that is owing to Holdings or any other Credit Party, in each case, to be delivered to the Collateral Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the terms of the Security Documents. Notwithstanding the foregoing any promissory note among the Borrower and/or its Subsidiaries need not be delivered to the Collateral Agent so long as (i) a global intercompany note superseding such promissory note has been delivered to the Collateral Agent, (ii) such promissory note is not delivered to any other party other than the Borrower or any Subsidiary Credit Party, in each case, owed money thereunder, and (iii) such promissory note indicates on its face that it is subject to the security interest of the Collateral Agent.

9.13 Use of Proceeds.

(a) The Borrower will use Letters of Credit and Revolving Loans for working capital and general corporate purposes (including to finance the Transactions and any transaction not prohibited by the Credit Documents).

(b) The Borrower will not request any Borrowing or Letter of Credit, and each Credit Party shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit in any manner that would result in the violation of any Anti-Corruption Laws or Sanctions applicable to any party hereto.

9.14 Further Assurances.

(a) Subject to the terms of Sections 9.11 and 9.12, this Section 9.14 and the Security Documents, Holdings will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements, and instruments, and take all such further actions (including the filing and recording of

financing statements, fixture filings, mortgages, deeds of trust, and other documents) that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, if any assets (other than Excluded Property) (including any real estate or improvements thereto or any interest therein but excluding any real estate which the applicable Credit Party intends to dispose of pursuant to a Permitted Sale Leaseback so long as actually disposed of within 270 days of acquisition (or such longer period as the Administrative Agent may reasonably agree)) with a book value in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (at the time of acquisition) are acquired by the Borrower or any other Subsidiary Credit Party after the Closing Date (other than assets constituting Collateral under a Security Document that become subject to the Lien of the applicable Security Document upon acquisition thereof) that are of a nature secured by a Security Document or that constitute a fee interest in real property in the United States, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the Obligations (provided, however, that in the event any Mortgage delivered pursuant to this clause (b) shall incur any mortgage recording tax or similar charges in connection with the recording thereof, such Mortgage shall not secure an amount in excess of the Fair Market Value of the applicable Mortgaged Property) and will take, and cause the other applicable Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 90 days, unless extended by the Administrative Agent in its sole discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.14.

(c) Any Mortgage delivered to the Administrative Agent in accordance with the preceding clause (b) shall, if requested by the Collateral Agent, be received as soon as commercially reasonable but in no event later than 90 days (except as set forth in the preceding clause (b)), unless extended by the Administrative Agent acting reasonably and accompanied by (x) a policy or policies (or an unconditional binding commitment therefor to be replaced by a final title policy) of title insurance issued by a nationally recognized title insurance company, in such amounts as reasonably acceptable to the Administrative Agent not to exceed the Fair Market Value of the applicable Mortgaged Property, insuring the Lien of each Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 10.2 or as otherwise permitted by the Administrative Agent and otherwise in form and substance reasonably acceptable to the Administrative Agent, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request but only to the extent such endorsements are (i) available in the relevant jurisdiction (provided in no event shall the Administrative Agent request a creditors' rights endorsement) and (ii) available at commercially reasonable rates, (y) an opinion of local counsel to the applicable Credit Party in form and substance reasonably acceptable to the Administrative Agent, (z) a completed "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination, and if any improvements on such Mortgaged Property are located in a special flood hazard area, (i) a notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Credit Parties and (ii) evidence of insurance required by Section 9.3 in form and substance reasonably satisfactory to the Administrative Agent, and (aa) an ALTA survey in a form and substance reasonably acceptable to the Collateral Agent or such existing survey together with a no-change affidavit sufficient for the title company to remove all standard survey exceptions from the Title Policy related to such Mortgaged Property and issue the endorsements required in (x) above.

(d) Post-Closing Covenant. The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.14 as soon as commercially reasonable and by no later than the date set forth in Schedule 9.14 with respect to such action or such later date as the Administrative Agent may reasonably agree.

9.15 Lines of Business. The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted

by the Borrower and the Subsidiaries, taken as a whole, on the Restatement Effective Date and other business activities which are extensions thereof or otherwise incidental, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment).

9.16 Cash Management.

(a) (i) Each Credit Party shall use commercially reasonable efforts to enter into control agreements (each, a "**Blocked Account Agreement**") as soon as possible after the Restatement Effective Date and, in any event, shall have actually entered into such Blocked Account Agreements within 120 days after the Restatement Effective Date (or such later date approved by the Administrative Agent in its reasonable discretion), in a form reasonably satisfactory to the Administrative Agent, with the Administrative Agent and each other bank with which such Credit Party maintains a DDA located in the United States (other than an Excluded Account) (collectively, the "**Blocked Accounts**"); and (ii) upon delivery of such Blocked Account Agreements referred to in clause (i), the Borrower shall provide a schedule of DDAs, indicating for each DDA if such DDA is required to be subject to a Blocked Account Agreement pursuant to the Credit Documents; provided that, if Blocked Account Agreements with respect to each Blocked Account are not delivered to the Administrative Agent within 120 days after the Restatement Effective Date, each Credit Party shall move any such Account to the Administrative Agent or another depositary, subject to a Blocked Account Agreement in favor of the Administrative Agent.

(b) The Borrower agrees that it will cause all proceeds of the ABL Priority Collateral (other than the Uncontrolled Cash and subject to clause (c) below) to be deposited into a Blocked Account.

(c) Each Blocked Account Agreement of a Credit Party shall require (only during the continuance of a Cash Dominion Period and following delivery of notice of the commencement thereof from the Administrative Agent to the Borrower and the account bank party to such instrument or agreement; provided that such notice shall not be delivered earlier than two Business Days following the start of a Cash Dominion Period), the ACH or wire transfer no less frequently than once per Business Day (but without limit on frequency if the Maturity Date shall have actually occurred), of all available cash balances and cash receipts, including the then contents or then entire ledger balance of each Blocked Account (net of such minimum balance as may be required to be maintained in the subject Blocked Account by the bank at which such Blocked Account is maintained and other than any Uncontrolled Cash), to one or more accounts maintained by the Administrative Agent (the "**Payment Accounts**"). Subject to the terms of the ABL Intercreditor Agreement, all amounts received in a Payment Account or such other account shall be applied (and allocated) by the Administrative Agent in accordance with Section 11.13 (except (A) pursuant to clause (i) thereof and (B) to Secured Cash Management Obligations and Secured Hedge Obligations).

(d) If, at any time after the occurrence and during the continuance of a Cash Dominion Period, any cash or Cash Equivalents owned by any Credit Party (other than (i) with respect to a Cash Dominion Period, an amount equal to the aggregate amount of cash and Cash Equivalents collected in Blocked Accounts during the first two Business Days of such Cash Dominion Period and that is on deposit in a segregated DDA which the Borrower designates in writing to the Administrative Agent as being the "uncontrolled cash account" (each such account, a "**Designated Disbursement Account**" and collectively, the "**Designated Disbursement Accounts**"), which funds shall not thereafter be funded from, or when withdrawn from the Designated Disbursement Accounts, shall not be replenished by, funds constituting proceeds of the ABL Priority Collateral so long as such Cash Dominion Period continues, (ii) de minimis Permitted Investments from time to time inadvertently misapplied by any Credit Party, (iii) segregated accounts that are subject to Liens permitted pursuant to clauses (i) through (iv) of the definition of Permitted Liens and to the extent that, and for so long as, a grant of a security interest therein would violate or invalidate the agreement giving rise to such permitted lien and (iv) payroll, trust and tax withholding accounts funded in the ordinary course of business and required by applicable Law and (each such account described in clauses (i) through (iv), an "**Excluded Account**") are deposited to any account, or held or invested in any manner, otherwise than in a Blocked Account subject to a Blocked Account Agreement (or a DDA which swept daily to a Blocked Account) or a lockbox, the Administrative Agent shall be entitled to require the applicable Credit Party to close such account and have all funds therein transferred to a Blocked Account, and to cause all future deposits to be made to a Blocked Account.

(e) The Credit Parties may close DDAs or Blocked Accounts and/or open new DDAs or Blocked Accounts without the Administrative Agent's consent, subject to the prompt execution and delivery to the Administrative Agent of a Blocked Account Agreement to the extent required by the provisions of this Section 9.17. The Credit Parties may open or close Excluded Accounts at any time, without requirement of delivery of a Blocked Account Agreement without consent of the Administrative Agent.

(f) So long as no Cash Dominion Period is in effect, the Credit Parties may direct, and shall have sole control over, the manner of disposition of funds in their respective Blocked Accounts.

(g) (i) Any amounts received in the Payment Accounts (including all interest and other earnings with respect thereto, if any) at any time after the payment in full of all Obligations (other than contingent indemnification obligations as to which no claim has been asserted and Secured Cash Management Obligations and Secured Hedge Obligations) and termination of the aggregate Commitments hereunder and (ii) any amounts that continue to be swept to the Payment Accounts after no Cash Dominion Period exists, shall, in each case, be remitted to the operating account of the Borrower as specified by the Borrower.

Section 10. Negative Covenants.

The Borrower (and, with respect to Section 10.7 only, Holdings and each Intermediate Holdco) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated or be collateralized in accordance with the terms of this Agreement and the Loans and Unpaid Drawings, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations and Letters of Credit, collateralized in accordance with the terms of this Agreement), are paid in full:

10.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of its Restricted Subsidiaries to create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Guarantors, preferred stock; provided that the Borrower and its Restricted Subsidiaries may incur unsecured Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred stock; provided further that, only if the Payment Conditions are not satisfied, the final maturity of any such unsecured Indebtedness (including Acquired Indebtedness) shall not occur, and no such unsecured Indebtedness (including Acquired Indebtedness) shall require mandatory commitment reductions (other than customary amortization payments) prior to, the Latest Maturity Date.

The foregoing limitations will not apply to:

(a) Indebtedness arising under the Credit Documents;

(b) (i) Indebtedness represented by the Term Loan Facility and any guarantee thereof in an aggregate principal amount (together with any Refinancing Indebtedness in respect thereof and all accrued interest, fees and expenses) not to exceed the sum of (A) $1,825,000,000 and (B) the Maximum Incremental Facilities Amount (as defined in the Term Loan Credit Agreement) as of the date of such incurrence and (ii) Indebtedness represented by the Existing Finco Notes and Existing Senior Notes and any guarantee thereof; provided that such Existing Finco Notes and Existing Senior Notes have been defeased;

(c) (i) Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 (other than intercompany Indebtedness owed by a Credit Party to another Credit Party);

(d) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock incurred by the Borrower or any Restricted Subsidiary, to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of the Borrower or any Restricted Subsidiary under or pursuant to any "synthetic lease" transactions to on-balance sheet Indebtedness of the Borrower or such Restricted Subsidiary, in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (d) and all Refinancing Indebtedness incurred to refinance any other Indebtedness, Disqualified Stock and preferred stock incurred pursuant to this clause (d), does not exceed the greater of (x) $150,000,000 and (y) 35% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence; provided that Capitalized Lease Obligations incurred by the Borrower or any Restricted Subsidiary pursuant to this clause (d) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitation so long as the proceeds of such Permitted Sale Leaseback are used by the Borrower or such Restricted Subsidiary to permanently repay outstanding Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback (excluding any Lien ranking junior to the Lien securing the Obligations);

(e) Indebtedness incurred by the Borrower or any Restricted Subsidiary (including letter of credit obligations consistent with past practice constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, deferred compensation, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(f) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary or other Person, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Borrower to a Restricted Subsidiary; provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is subordinated in right of payment to the Obligations; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(h) Indebtedness of a Restricted Subsidiary owing to another Restricted Subsidiary or the Borrower; provided that if a Subsidiary Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Subsidiary Guarantor as the case may be; provided, further, that any subsequent transfer of any such Indebtedness (except to the Borrower or another Subsidiary Guarantor) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(i) shares of preferred stock of a Restricted Subsidiary issued to the Borrower or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred stock (except to the Borrower or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of preferred stock not permitted by this clause;

(j) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(k) (i) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or (ii) obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;

(l) (i) Indebtedness, Disqualified Stock and preferred stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference (together with any Refinancing Indebtedness in respect thereof) up to 100% of the net cash proceeds received by the Borrower since immediately after the Restatement Effective Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than Excluded Contributions, any Cure Amount or proceeds of Disqualified Stock or sales of Equity Interests to any of the Borrower's Subsidiaries) as determined in accordance with Sections 10.5(a)(iii)(B) and 10.5(a)(iii)(C) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 10.5(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (a) and (c) of the definition thereof) and (ii) Indebtedness, Disqualified Stock or preferred stock of the Borrower or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (l)(ii), does not at any one time outstanding exceed the greater of (x) $205,000,000 and (y) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence (it being understood that any Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this clause (l)(ii) shall cease to be deemed incurred or outstanding for purposes of this clause (l)(ii) but shall be deemed incurred for the purposes of the first paragraph of this Section 10.1 from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or preferred stock under the first paragraph of this Section 10.1 without reliance on this clause (l)(ii));

(m) the incurrence or issuance by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred stock which serves to refinance any Indebtedness, Disqualified Stock or preferred stock incurred as permitted under the first paragraph of this Section 10.1 and clauses (b) and (c) above, clause (l)(i) and this clause (m) below or any Indebtedness, Disqualified Stock or preferred stock issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, "**refinance**") such Indebtedness, Disqualified Stock or preferred stock (the "**Refinancing Indebtedness**") prior to its respective maturity; provided that such Refinancing Indebtedness (1) has a weighted average life to maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining weighted average life to maturity of the Indebtedness, Disqualified Stock or preferred stock being refinanced, (2) to the extent such Refinancing Indebtedness refinances (i) Indebtedness that is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, such Refinancing Indebtedness is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, (ii) Disqualified Stock or preferred stock, such Refinancing Indebtedness must be Disqualified Stock or preferred stock, respectively, and (iii) Indebtedness subordinated to the Obligations, such Refinancing Indebtedness is subordinated to the Obligations at least to the same extent as the Indebtedness being refinanced and (3) shall not include Indebtedness, Disqualified Stock or preferred stock of a Subsidiary of the Borrower that is not a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or preferred stock of the Borrower or a Subsidiary Guarantor;

(n) Indebtedness, Disqualified Stock or preferred stock of (x) the Borrower or a Restricted Subsidiary incurred or issued to finance an acquisition, merger, or consolidation; provided that the amount of Indebtedness (other than Acquired Indebtedness), Disqualified Stock and preferred stock that may be incurred pursuant to the foregoing, together with any amounts incurred under the first paragraph of this Section 10.1 by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (i) $165,000,000 and (ii) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated

on a Pro Forma Basis) at any one time outstanding, or (y) Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that after giving effect to any such acquisition, merger, consolidation or designation described in this clause (n), (i) either (1) the Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of the Borrower and the Restricted Subsidiaries (calculated on a pro forma basis) would be at least 2.00 to 1.00 or (2) the Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of the Borrower and the Restricted Subsidiaries is equal to or greater than that immediately prior to such acquisition, merger, consolidation or designation or (ii) either (1) the Consolidated Total Debt to Consolidated EBITDA Ratio (calculated on a Pro Forma Basis) shall be either (A) less than or equal to the Consolidated Total Debt to Consolidated EBITDA Ratio immediate prior to such acquisition, merger, consolidation or designation or (2) less than or equal to 6.25:1.00; provided further that any such Indebtedness incurred under this clause (n) (x) shall not take the form of a separate asset based lending facility and (y) shall not be secured by a first priority lien on the ABL Priority Collateral;

(o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(p) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(q) (1) any guarantee by the Borrower or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee, (2) any guarantee by a Restricted Subsidiary of Indebtedness of the Borrower or (3) any co-issuance by Academy Finance Corporation of Indebtedness of the Borrower;

(r) Indebtedness of Restricted Subsidiaries that are not Guarantors; provided that the principal amount of such Indebtedness of which the primary obligor or a guarantor is a Restricted Subsidiary that is not a Guarantor shall not exceed, in the aggregate at any one time outstanding, the greater of (x) $105,000,00 and (y) 25.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (it being understood that any Indebtedness incurred pursuant to this clause (r) shall cease to be deemed incurred or outstanding for purposes of this clause (r) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (r));

(s) Indebtedness of the Borrower or any of the Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;

(t) (i) Indebtedness of the Borrower or any of the Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definition of Cash Management Services and (ii) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Borrower and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Borrower and its Restricted Subsidiaries;

(u) Indebtedness consisting of Indebtedness issued by the Borrower or any of the Restricted Subsidiaries to future, current or former officers, directors, managers and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower to the extent described in clause (4) of Section 10.5(b);

(v) Indebtedness of a Borrower or any Restricted Subsidiary as an account party in respect of Commercial Letters of Credit issued pursuant to a Secured Commercial LC Facility, in each case in a principal amount not in excess of the Stated Amount of each such Commercial Letter of Credit, in an aggregate amount not to exceed $50,000,000;

(w) Indebtedness incurred in compliance with Section 10.1(w) of the Term Loan Credit Agreement;

(x) Indebtedness incurred in compliance with Section 10.1(x) of the Term Loan Credit Agreement; and

(y) (i) Indebtedness in respect of Permitted Debt Exchange Notes incurred pursuant to a Permitted Debt Exchange (each as defined in the Term Loan Credit Agreement) in accordance with Section 2.15 of the Term Loan Credit Agreement (and which does not generate any additional proceeds) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension (except for any original issue discount thereon and the amount of fees, expenses, and premium and accrued and unpaid interest in connection with such refinancing) and (y) such Indebtedness otherwise complies with the definition of Permitted Other Indebtedness (as defined in the Term Loan Credit Agreement).

For purposes of determining compliance with this Section 10.1: (i) in the event that an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred stock described in clauses (a) through (y) above or is entitled to be incurred pursuant to the first paragraph of this Section 10.1, the Borrower, in its sole discretion, will classify and may reclassify such item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred stock in one of the above clauses or paragraphs; and (ii) at the time of incurrence, the Borrower will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in this Section 10.1; provided that all Indebtedness outstanding under the Term Loan Facility on the Restatement Effective Date will be treated as incurred under clause (b)(i) and (b)(ii) above, as applicable.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or preferred stock for purposes of this covenant. Any Refinancing Indebtedness and any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (a) and (l)(i) above shall be deemed to include additional Indebtedness, Disqualified Stock or preferred stock incurred to pay premiums (including reasonable tender premiums), defeasance costs, fees, and expenses in connection with such refinancing.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums, and other costs and expenses and accrued and unpaid interest incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

10.2 Limitation on Liens.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a "**Subject Lien**") that secures obligations under any Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, except:

(i) if such Subject Lien is a Permitted Lien;

(ii) any other Subject Lien on assets or property constituting Collateral if the obligations secured by such Subject Lien are junior to the Obligations; provided that at the Borrower's election, in the case of Liens securing Permitted Other Indebtedness Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (ii); and

(iii) in the case of any Subject Lien on assets or property not constituting Collateral, any Subject Lien if (i) the Obligations are equally and ratably secured with (or on a senior basis to, in the case such Subject Lien secures any Junior Debt) the obligations secured by such Subject Lien or (ii) such Subject Lien is a Permitted Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally be released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

10.3 Limitation on Fundamental Changes. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; provided that (A) the Borrower shall be the continuing or surviving corporation or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the "**Successor Borrower**"), (1) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (2) the Successor Borrower shall expressly assume all the obligations of the Borrower under this

Agreement and the other Credit Documents pursuant to a supplement hereto or thereto or in a form otherwise reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to the Guarantee, confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to any applicable Security Document, affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, unless it is the other party to such merger, amalgamation or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its Guarantee as reaffirmed pursuant to clause (3), and (6) the Successor Borrower shall have delivered to the Administrative Agent (x) an officer's certificate stating that such merger, amalgamation, or consolidation and such supplements preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the applicable Security Documents and (y) if requested by the Administrative Agent, an opinion of counsel to the effect that such merger, amalgamation, or consolidation does not violate this Agreement or any other Credit Document and that the provisions set forth in the preceding clauses (3) through (5) preserve the enforceability of the Guarantee and the perfection of the Liens created under the applicable Security Documents (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement);

(b) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person (in each case, other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Subsidiary Guarantors, a Subsidiary Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation and if the surviving Person is not already a Subsidiary Guarantor, such Person shall execute a supplement to the Guarantee and the relevant Security Documents in form and substance reasonably satisfactory to the Administrative Agent in order to become a Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation and any such supplements to any Security Document preserve the enforceability of the Guarantees and the perfection and priority of the Liens under the applicable Security Documents;

(c) [reserved];

(d) (i) any Restricted Subsidiary that is not a Credit Party may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or any other Restricted Subsidiary or (ii) any Subsidiary Guarantor may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to any other Subsidiary Guarantor or the Borrower;

(e) any Subsidiary may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or a Subsidiary Guarantor; provided that the consideration for any such disposition by any Person other than a Subsidiary Guarantor shall not exceed the fair value of such assets;

(f) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; and

(g) the Borrower and the Restricted Subsidiaries may consummate a merger, dissolution, liquidation, consolidation, investment or conveyance, sale, lease, assignment or disposition, the purpose of which is to effect an Asset Sale (which for purposes of this Section 10.3(g), will include any disposition

below the dollar threshold set forth in clause (d) of the definition of "Asset Sale") permitted by Section 10.4 or an investment permitted pursuant to Section 10.5 or an investment that constitutes a Permitted Investment; and

(h) undertaking or consummating any IPO Reorganization Transactions.

10.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(a) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of (a) $50,000,000 and (b) 1.5% of Consolidated Total Assets for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:

(i) any liabilities (as reflected on the Borrower's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such consolidated balance sheet, as determined in good faith by the Borrower) of the Borrower, other than liabilities that are by their terms subordinated to the Loans, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) and for which the Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing;

(ii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(iii) Indebtedness, other than liabilities that are by their terms subordinated to the Loans, that are of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and all Restricted Subsidiaries have been validly released from any Guarantee of payment of such Indebtedness in connection with such Asset Sale; and

(iv) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iv) that is at that time outstanding, not to exceed the greater of $210,000,000 and 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash for purposes of this clause (b) of this provision and for no other purpose.

10.5 Limitation on Restricted Payments.

(a) the Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:

(A) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock) of the Borrower or in options, warrants or other rights to purchase such Equity Interests, or

(B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(2) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower, Holdings or any direct or indirect parent company of the Borrower, including in connection with any merger or consolidation;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Junior Debt of the Borrower or any Restricted Subsidiary, other than (A) Indebtedness permitted under clauses (g) and (h) of Section 10.1 or (B) the purchase, repurchase or other acquisition of Junior Debt purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(4) make any Restricted Investment;

(all such payments and other actions set forth in clauses (1) through (4) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**"), unless, at the time of such Restricted Payment:

(i) no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof);

(ii) except in the case of a Restricted Investment and other than with respect to amounts attributable to subclauses (B), (C), and (G) below, immediately after giving effect to such transaction on a pro forma basis, the Payment Conditions are satisfied; and

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date (including Restricted Payments permitted by clauses (1), (2) (with respect to the payment of dividends on Refunding Capital Stock pursuant to clause (b) thereof only) and (6)(C) of Section 10.5(b) below, but excluding all other Restricted Payments permitted by Section 10.5(b)), is less than the sum of (without duplication) (the sum of the amounts attributable to clauses (A) through (G) below is referred to herein as the "**Available Amount**"):

(A) [reserved]

(B) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower since immediately after the

Restatement Effective Date (other than net cash proceeds from Cure Amounts or to the extent such net cash proceeds have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1) from the issue or sale of (x) Equity Interests of the Borrower, including Retired Capital Stock, but excluding cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of (A) Equity Interests to any employee, director, manager or consultant of the Borrower, any direct or indirect parent company of the Borrower and the Borrower's Subsidiaries after the Restatement Effective Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below, and (B) Designated Preferred Stock, and, to the extent such net cash proceeds are actually contributed to the Borrower, Equity Interests of Holdings or any other direct or indirect parent company of the Borrower (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below) or (y) Indebtedness of the Borrower or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests of the Borrower or Holdings or any other direct or indirect parent company of the Borrower; provided that this clause (B) shall not include the proceeds from (a) Refunding Capital Stock, (b) Equity Interests or Indebtedness that has been converted or exchanged for Equity Interests of the Borrower sold to a Restricted Subsidiary or the Borrower, as the case may be, (c) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions, *plus*

(C) 100% of the aggregate amount of cash and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following the Restatement Effective Date (other than net cash proceeds from Cure Amounts or to the extent such net cash proceeds (i) have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1), (ii) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions), *plus*

(D) 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities or other property received by means of (A) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Restricted Investments made by the Borrower and the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Borrower and the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Borrower or the Restricted Subsidiaries, in each case, after the Restatement Effective Date; or (B) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary after the Restatement Effective Date, *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Restatement Effective Date, the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment, *plus*

(F) [reserved]

(G) $75,000,000.

(b) The foregoing provisions of Section 10.5(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("**Retired Capital Stock**") or Junior Debt of the Borrower or any Restricted Subsidiary, or any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower, in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of the Borrower or any direct or indirect Parent Entity or management investment vehicle to the extent contributed to the Borrower (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**") and (b) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this Section 10.5(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that was declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt of the Borrower or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Borrower or a Restricted Subsidiary, as the case may be, which is incurred in compliance with Section 10.1 so long as: (A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness, (B) if such Junior Debt is subordinated to the Obligations, such new Indebtedness is subordinated to the Obligations or the applicable Guarantee at least to the same extent as such Junior Debt so purchased, exchanged, redeemed, defeased, repurchased, acquired or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired, (D) if such Junior Debt so purchased, exchanged, redeemed, repurchased, acquired or retired for value is (i) unsecured then such new Indebtedness shall be unsecured or (ii) Permitted Other Indebtedness incurred pursuant to Section 10.1(x) and is secured by a Lien ranking junior to the Liens securing the Obligations then such new Indebtedness shall be unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, and (E) such new Indebtedness has a weighted average life to maturity equal to or greater than the remaining weighted average life to maturity of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Borrower or Holdings, Intermediate Holdco or any direct or indirect Parent Entity or management investment vehicle held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any direct or indirect Parent Entity or management investment vehicle, or their estates, descendants, family, spouse or former spouse pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement, or any stock subscription or shareholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management of the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with the Transactions; provided that, except with respect to

non-discretionary Restricted Payments, the aggregate Restricted Payments made under this clause (4) subsequent to the Restatement Effective Date do not exceed in any calendar year the greater of (a) $35,000,000 and (b) 8.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (which subsequent to the consummation of an IPO shall increase to the greater of (a) $70,000,000 and (b) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis)) (with unused amounts in any calendar year being carried over to succeeding calendar years); provided, further, that such amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of Holdings or any other direct or indirect Parent Entity or management investment vehicle, in each case to any future, present or former employees, directors, managers or consultants of the Borrower, any of its Subsidiaries, Holdings or any other direct or indirect Parent Entity or management investment vehicle that occurs after the Restatement Effective Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (iii) of Section 10.5(a), plus (B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date, less (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (4); and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle or any Restricted Subsidiary, or their estates, descendants, family, spouse or former spouse in connection with a repurchase of Equity Interests of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle will not be deemed to constitute a Restricted Payment for purposes of this Section 10.5 or any other provision of this Agreement;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of preferred stock of any Restricted Subsidiary, in each case, issued in accordance with Section 10.1, provided such dividends are included in the calculation of Fixed Charges for the relevant period;

(6) (A) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after the Restatement Effective Date; (B) the declaration and payment of dividends to Holdings or any other direct or indirect parent company of the Borrower, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent company issued after the Restatement Effective Date; provided that the amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock; or (C) the declaration and payment of dividends on Refunding Capital Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this Section 10.5(b); provided that, in the case of each of (A), (B), and (C) of this clause (6), for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a pro forma basis, the Borrower and the Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash, Cash Equivalents or marketable securities, not to exceed the greater of (x) $95,000,000 and (y) 22.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) (i) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding or similar taxes payable upon exercise of Equity Interests by any future, present or former employee, director, manager, or consultant and repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(9) the declaration and payment of dividends on the Borrower's common stock (or the payment of dividends to Holdings, any Intermediate Holco or any other direct or indirect parent company of the Borrower to fund a payment of dividends on such company's common stock), following consummation of an IPO, not to exceed an amount equal to the sum of (a) 6.00% per annum of the net cash proceeds received by or contributed to the Borrower in or from such IPO, other than public offerings with respect to the Borrower's common stock registered on Form S-8 and other than any public sale constituting an Excluded Contribution and (b) 5.0% per fiscal year of the market capitalization of the Borrower as of the end of the prior fiscal year (or in the case of the first fiscal year following an IPO, as of such IPO);

(10) Restricted Payments in an amount that does not exceed the amount of Excluded Contributions made since the Restatement Effective Date;

(11) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause not to exceed $25,000,000;

(12) distributions or payments of Receivables Fees;

(13) [reserved];

(14) other Restricted Payments; provided that after giving Pro Forma Effect to such Restricted Payments the Payment Conditions are satisfied;

(15) the declaration and payment of dividends by the Borrower to, or the making of loans to, Holdings or any other direct or indirect parent company of the Borrower in amounts required for any direct or indirect parent company to pay: (A) franchise and excise taxes, and other fees and expenses, required to maintain its organizational existence, (B) (i) consolidated, combined or similar foreign, federal, state and local income and similar taxes, to the extent that such income taxes are attributable to the income of the Borrower and the Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; provided that in each case the amount of such payments with respect to any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) would have been required to pay in respect of such foreign, federal, state and local income taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) been a stand-alone taxpayer or stand-alone group (separate from any such direct or indirect parent company of the Borrower) for all fiscal years ending after the Restatement Effective Date and/or (ii) Permitted Tax Distributions, (C) customary salary, bonus, and other benefits payable to officers, employees, directors, and managers of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (D) general corporate or other operating (including, without

limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (E) amounts required for any direct or indirect parent company of the Borrower to pay fees and expenses incurred by any direct or indirect parent company of the Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent company of the Borrower of the type described in clause (xi) of the definition of "Consolidated Net Income," (F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any such direct or indirect parent company of the Borrower, (G) repurchases deemed to occur upon the cashless exercise of stock options and (H) taxes with respect to income of any direct or indirect parent company of the Borrower derived from funding made available to the Borrower and its Restricted Subsidiaries by such direct or indirect parent company;

(16) the repurchase, redemption or other acquisition for value of Equity Interests of the Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Borrower, in each case, permitted under this Agreement;

(17) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents);

(18) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt in an aggregate amount pursuant to this clause (18) not to exceed the greater of (x) $105,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(19) undertaking or consummating any IPO Reorganization Transaction;

(20) payments or distributions to satisfy dissenters' rights, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of assets that complies with Section 10.3;

(21) payment of the Special Dividend; and

(22) payments in respect of, or in connection with, the Restatement Effective Date Refinancing.

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (11), (14) and (18), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof).

The Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of Investment. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to Section 10.5(a) or under clauses (7), (10), or (11) of Section 10.5(b), or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses (1) through (18) above or is entitled to be made pursuant to Section 10.5(a) and/or one or more of the exceptions contained in the definition of Permitted Investments, the Borrower will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or portion thereof) among such clauses (1) through (18), Section 10.5(a) and/or one or more of the exceptions contained in the definition of "Permitted Investments", in a manner that otherwise complies with this covenant.

10.6 Limitation on Subsidiary Distributions. The Borrower will not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary;

(b) make loans or advances to the Borrower or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary;

except (in each case) for such encumbrances or restrictions (x) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (y) existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Restatement Effective Date, including pursuant to this Agreement and the related documentation and related Hedging Obligations;

(ii) the Term Loan Credit Documents and the Term Loans;

(iii) purchase money obligations for property acquired in the ordinary course of business or consistent with past practice and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (c) above on the property so acquired;

(iv) Requirements of Law or any applicable rule, regulation or order;

(v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;

(vii) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(viii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(ix) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred subsequent to the Restatement Effective Date pursuant to the provisions of Section 10.1;

(x) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture and the Equity Interests issued thereby;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(xii) restrictions created in connection with any Receivables Facility that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect such Receivables Facility; and

(xiii) any encumbrances or restrictions of the type referred to in clauses (a), (b), and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xii) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, or refinancings (x) are, in the good faith judgment of the Borrower's board of directors, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay their respective obligations under the Credit Documents as and when due (as determined in good faith by the Borrower).

10.7 Fixed Charge Coverage Ratio. Holdings will not permit the Fixed Charge Coverage Ratio for any Test Period to be lower than 1.00 to 1.00; provided that such Fixed Charge Coverage Ratio will only be tested (a) on the date on which a Compliance Period begins, as of the last day of the Test Period ending immediately prior to the date on which such Compliance Period shall have commenced and (b) as of the last day of each Test Period thereafter until such Compliance Period is no longer continuing.

Section 11. Events of Default.

Upon the occurrence of any of the following specified events set forth in Sections 11.1 through 11.11 (each an "**Event of Default**"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or any Fees or any Unpaid Drawings or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, Etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation or warranty shall remain incorrect for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower; or

11.3 Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in the last paragraph of Section 9.1(e)(i), Section 9.5 (solely with respect to the Borrower), Section 9.14(d), Section 9.17 (during a Cash Dominion Period only) or Section 10; provided that any Event of Default under Section 10.7 is subject to cure as provided in Section 11.14 and an Event of Default with respect to such Section shall not occur until the expiration of the 10th Business Day subsequent to the date the relevant financial statements are required to be delivered for the applicable fiscal quarter pursuant to Section 9.1(a) or (b) (such period, the "**Cure Period**"); or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days (or 5 Business Days in the case of Section 9.1(h)) after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements. (a) the Borrower or any of the Restricted Subsidiaries shall (i) fail to make any payment with respect to any Indebtedness (other than the Obligations under the Credit Documents) in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (after giving effect to all applicable grace period and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is required as a result of any such termination or similar event and that is not otherwise being contested in good faith)), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (a) shall not apply to secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is required as a result of any such termination or equivalent event and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; provided that this clause (b) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness, (y) Indebtedness which is convertible into Qualified Stock and converts to Qualified Stock in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied by the Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Section 11; or

11.5 Bankruptcy, Etc. Except as otherwise permitted by Section 10.3, Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences a voluntary case, proceeding or action concerning itself under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (collectively, the "**Bankruptcy Code**"); or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not controverted

within 60 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, trustee, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding-up, administration or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or there is commenced against the Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary is adjudicated bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary makes a general assignment for the benefit of creditors; or

11.6 ERISA. (a) An ERISA Event or a Foreign Plan Event shall have occurred, (b) a trustee shall be appointed by a United States district court to administer any Pension Plan(s), (c) the PBGC shall institute proceedings to terminate any Pension Plan(s), or (d) any Credit Party or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner, and in each case in clauses (a) through (d) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect; or

11.7 Guarantee. Other than as expressly permitted hereunder, any Guarantee provided by any Credit Party or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof) or any such Guarantor thereunder or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee; or

11.8 Pledge Agreement. Other than as expressly permitted hereunder, the Pledge Agreement or any other Security Document pursuant to which the Capital Stock or Stock Equivalents of the Borrower or any Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent or any Lender or solely as a result of the Collateral Agent's failure to maintain possession of any Capital Stock or Stock Equivalents that have been previously delivered to it) or any pledgor thereunder or any Credit Party shall deny or disaffirm in writing any pledgor's obligations under any Security Document; or

11.9 Security Agreement. Other than as expressly permitted hereunder, the Security Agreement or any other Security Document pursuant to which the assets of Holdings, any Intermediate Holdco, the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent in respect of certificates, promissory notes or instruments actually delivered to it (including as a result of the Collateral Agent's failure to file a Uniform Commercial Code continuation statement)) or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Security Agreement or any other Security Document; or

11.10 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof; or

11.11 Change of Control. A Change of Control shall occur;

then, and in any event, and at any time thereafter, if an Event of Default occurs and is continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrower, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower, take any or all of the following actions, except as otherwise specifically provided for in this Agreement, (i) declare the Total Revolving Credit Commitment and Swingline Commitment terminated, whereupon the Revolving Credit Commitment and Swingline Commitment, if any, of each Lender or the Swingline Lender, as the case may be, shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the extent permitted by applicable law; (iii) terminate any Letter of Credit that may be terminated in accordance with its terms; and/or (iv) direct the Borrower to pay (and the Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 11.5 with respect to the Borrower, it will pay) to the Administrative Agent at the Administrative Agent's Office such additional amounts of cash, to be held as security for the Borrower's respective reimbursement obligations for Unpaid Drawings that may subsequently occur thereunder, equal to the aggregate Stated Amount of all Letters of Credit issued and then outstanding. In the case of an Event of Default under Section 11.3(a) in respect of a failure to observe or perform the covenant under Section 10.7, the actions previously described will be permitted to occur only following the expiration of the ability to effectuate the Cure Right; provided that, if an Event of Default specified in Section 11.5 shall occur with respect to the Borrower, the result that would occur upon the giving of written notice by the Administrative Agent shall occur automatically without the giving of any such notice.

11.12 Application of Proceeds. Subject to the terms of the ABL Intercreditor Agreement and, in each case if executed, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 11.4 shall be applied:

(i) *first*, ratably to pay the Obligations in respect of any Indemnified Liabilities, indemnities and other amounts then due to the Agents until paid in full;

(ii) *second*, ratably to pay any Indemnified Liabilities and indemnities, and to pay any fees then due to the Lenders, until paid in full; and

(iii) *third*, ratably to pay interest accrued in respect of the Obligations until paid in full;

(iv) *fourth,* to pay principal due in respect of the Swingline Loans until paid in full;

(v) *fifth*, ratably (A) to pay the unpaid principal in respect of the Loans, (B) Unpaid Drawings and (C) to pay outstanding Secured Bank Product Obligations, including Cash Collateralization of outstanding Noticed Hedges (other than such amount of the outstanding Secured Bank Product Obligations that exceeds the amount of the Bank Product Reserve as determined by the Administrative Agent and established in respect of such Secured Bank Product Obligations);

(vi) *sixth*, ratably to be held by the Administrative Agent, for the ratable benefit of the Issuing Banks and the Lenders to Cash Collateralize the then extant undrawn Stated Amount of Letters of Credit, in each case until paid in full;

(vii) *seventh*, to pay outstanding Secured Bank Product Obligations, including Cash Collateralization of outstanding Noticed Hedges, that exceed the amount of the Bank Product Reserve as determined by the Administrative Agent and established in respect of such Secured Bank Product Obligation;

(viii) *eighth,* ratably to pay any other outstanding Obligations of the Credit Parties (other than Obligations in respect of Secured Commercial LC Facilities);

(ix) *ninth,* ratably to pay other Obligations in respect of Secured Commercial LC Facilities, until paid in full; and

(x) *tenth*, to the Borrower or such other Person entitled thereto under Applicable Law.

Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Party. If a Secured Party fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero. The allocations set forth in this Section 11.12 are solely to determine the rights and priorities of the Agents and Secured Parties as among themselves, and may be changed by agreement among them without the consent of any Credit Party. Notwithstanding the foregoing, amounts received from any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to its Obligations that are Excluded Swap Obligations.

11.13 Equity Cure. Notwithstanding anything to the contrary contained in this Section 11, in the event that Holdings fails to comply with the requirement of the financial covenant set forth in Section 10.7, from the beginning of any fiscal period until the expiration of the 10th Business Day following the date financial statements referred to in Sections 9.1(a) or (b) are required to be delivered in respect of such fiscal period for which such financial covenant is being measured, any holder of Capital Stock or Stock Equivalents of Holdings or any direct or indirect parent of Holdings shall have the right to cure such failure (the "**Cure Right**") by causing cash net equity proceeds derived from an issuance of Capital Stock or Stock Equivalents (other than Disqualified Stock, unless reasonably satisfactory to the Administrative Agent) by Holdings (or from a contribution to the common equity capital of Holdings) to be contributed, directly or indirectly, as cash common equity to either Borrower, and upon receipt by such Borrower of such cash contribution (such cash amount being referred to as the "**Cure Amount**") pursuant to the exercise of such Cure Right, such financial covenant shall be recalculated giving effect to the following pro forma adjustments:

(a) Consolidated EBITDA shall be increased, solely for the purpose of determining the existence of an Event of Default resulting from a breach of the financial covenant set forth in Section 10.7 with respect to any period of four consecutive fiscal quarters that includes the fiscal quarter for which the Cure Right was exercised and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;

(b) Consolidated Total Debt shall be decreased for purposes of determining compliance with Section 10.7 solely to the extent proceeds of the Cure Amount are actually applied to prepay Indebtedness, and in no event shall any reduction be given effect during the fiscal quarter with regard to which the Cure Right is exercised; and

(c) if, after giving effect to the foregoing recalculations, Holdings shall then be in compliance with the requirements of the financial covenant set forth in Section 10.7 (calculated on a Pro Forma Basis), Holdings shall be deemed to have satisfied the requirements of the financial covenant set forth in Section 10.7 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of such financial covenants that had occurred shall be deemed cured for the purposes of this Agreement;

provided that (i) in each period of four consecutive fiscal quarters there shall be at least two fiscal quarters in which no Cure Right is made, (ii) there shall be a maximum of five Cure Rights made during the term of this Agreement, (iii) each Cure Amount shall be no greater than the amount expected to be required to cause the Borrower to be in compliance with the financial covenant set forth in Section 10.7; and (iv) all Cure Amounts shall be disregarded for the purposes of any financial ratio determination under the Credit Documents other than for determining compliance with Section 10.7.

Section 12. The Agents.

12.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.1(c) with respect to the Joint Lead Arrangers and Bookrunners and Sections 12.1, 12.9, 12.11 and 12.12 with respect to the Borrower) are solely for the benefit of the Agents and the Lenders, neither the Borrower nor any other Credit Party shall have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings, the Borrower or any of their respective Subsidiaries.

(b) The Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any of the Administrative Agent, the Lenders, the Swingline Lender and the Letter of Credit Issuer and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each of the Joint Lead Arrangers and Bookrunners each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

12.2 Delegation of Duties. The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, subagents or attorneys-in-fact selected by it in the absence of its gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

12.3 Exculpatory Provisions. No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any Credit Party or any

officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the creation, perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party. Without limiting the generality of the foregoing, (a) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 13.1), provided that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any debtor relief law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any debtor relief law and (b) except as expressly set forth in the Credit Documents, no Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity.

12.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; provided that the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable law.

12.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable.

12.6 Non-Reliance on Administrative Agent, Collateral Agent, and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of any Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender, the Swingline Lender and the Letter of Credit Issuer. Each of the Lenders, the Swingline Lender and the Letter of Credit Issuer represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of any of the Credit Parties. Except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification. The Lenders agree to severally indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against an Agent in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in connection with any of the foregoing; provided that no Lender shall be liable to an Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken by the Administrative Agent in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse each Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; provided that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's pro rata portion thereof;

and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder. The indemnity provided to each Agent under this Section 12.7 shall also apply to such Agent's respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors and agents and successors.

12.8 Agents in Their Individual Capacities. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms Lender and Lenders shall include each Agent in its individual capacity.

12.9 Successor Agents.

(a) Each of the Administrative Agent and the Collateral Agent may at any time give notice of its resignation to the Lenders, the Letter of Credit Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Sections 11.1 or 11.5 is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (the "**Resignation Effective Date**"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); provided that if the Administrative Agent or the Collateral Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (v) of the definition of "Lender Default," the Required Lenders may to the extent permitted by applicable law, subject to the consent of the Borrower (not to be unreasonably withheld or delayed), by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the Letter of Credit Issuer under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent shall instead be made by or to each Lender and the Letter of Credit Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent or the Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section 12.9). Except as provided above,

any resignation or removal of JPMorgan Chase Bank, N.A. as the Administrative Agent pursuant to this Section 12.9 shall also constitute the resignation or removal of JPMorgan Chase Bank, N.A. as the Collateral Agent. The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

(d) Any resignation by or removal of JPMorgan Chase Bank, N.A. as the Administrative Agent pursuant to this Section 12.9 shall also constitute its resignation or removal as Swingline Lender and Letter of Credit Issuer. Upon the acceptance of a successor's appointment as the Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender and Letter of Credit Issuer, (b) the retiring Swingline Lender and Letter of Credit Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Credit Documents, and (c) the successor Swingline Lender and Letter of Credit Issuer shall issue letters of credit in substitution for the Letters of Credit issued by such Affiliate of the Administrative Agent or the Administrative Agent, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Letter of Credit Issuer to effectively assume the obligations of the retiring Letter of Credit Issuer with respect to such Letters of Credit.

12.10 Withholding Tax. To the extent required by any applicable law (as determined in good faith by the Administrative Agent), the Administrative Agent may withhold from any payment to any Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so), fully for all amounts paid, directly or indirectly, by the Administrative Agent or as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 12.10. The agreements in Section 12.10 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations. For the avoidance of doubt, for purposes of this Section 12.10, the term Lender includes the Swingline Lender and the Letter of Credit Issuer.

12.11 Agents Under Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (a) release any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent (or any sub-agent thereof) under any Credit Document (i) upon the final maturity date and the payment in full (or Cash Collateralization) of all Obligations (except for contingent indemnification obligations in respect of which a claim has not yet been made and Secured Hedge Obligations and Secured Cash Management Obligations), (ii) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, (iii) if the property subject to such Lien is owned by a Guarantor, upon the release of such Guarantor from its Guarantee otherwise in accordance with the Credit

Documents, (iv) as to the extent provided in the Security Documents, (v) that constitutes Excluded Property or Excluded Stock and Stock Equivalents or (vi) if approved, authorized or ratified in writing in accordance with Section 13.1; (b) release any Guarantor (other than Holdings) from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder; (c) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clause (vi) (solely with respect to Section 10.1(d)), and (ix) of the definition of "Permitted Lien"; and (d) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement.

The Collateral Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this Section 12.11, irrespective of any discharge of the Borrower's obligations to pay those amounts to the other Lenders resulting from failure by them to take appropriate steps in insolvency proceedings affecting the Borrower to preserve their entitlement to be paid those amounts.

Any amount due and payable by the Borrower to the Collateral Agent under this Section 12.11 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Credit Documents and any amount due and payable by the Borrower to the Collateral Agent under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 12.11.

12.12 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, Holdings, the Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights, and remedies under the Security Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent (in accordance with the directions of the Required Lenders), as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition. No holder of Secured Hedge Obligations or Secured Cash Management Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Hedge Obligations or Secured Cash Management Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

12.13 Intercreditor Agreement Governs. The Administrative Agent, the Collateral Agent, and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into each intercreditor agreement entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any intercreditor agreement that includes, or to amend any then existing intercreditor agreement to provide for, the terms described in the definition of Permitted Other Indebtedness.

12.14 Bank Product Providers. Each Secured Bank Product Provider, by delivery of a notice to Agent of a Bank Product, agrees to be bound by Section 11.13 and this Section 12. Each Secured Bank Product Provider shall indemnify and hold harmless each Agent and each of its directors, officers, employees, or agents, to the extent not reimbursed by the Credit Parties, against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent or its directors, officers, employees, or agents in connection with such provider's Secured Bank Product Obligations.

Section 13. Miscellaneous.

13.1 Amendments, Waivers, and Releases. Except as otherwise expressly set forth in the Credit Documents, neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. Except as provided to the contrary under Section 2.14, and other than with respect to any amendment, modification or waiver contemplated in the proviso to clause (i) below, which shall only require the consent of the Lenders expressly set forth therein and not the Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or the Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and provided, further, that no such waiver and no such amendment, supplement or modification shall (x) (i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Default Rate or amend Section 2.8(c)), or the definitions of "Average Excess Availability"), or forgive any portion thereof, or extend the date for the payment, of interest or fees payable hereunder or any principal hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates) or extend the final expiration date of any Letter of Credit beyond the L/C Facility Maturity Date (except as permitted by this provision in Section 3.1(b), or amend or modify any provisions of Sections 5.3(a) (with respect to the ratable allocation of any payments only), 11.12, 13.8(a) or 13.20, or make any Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case without the written consent of each Lender directly and adversely affected thereby; provided that a waiver of any condition precedent in Section 6 or 7 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial covenant definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal, premium or interest or an extension of the final maturity of any Loan or the scheduled termination date of any Commitment, in each case for purposes of this clause (i), or (ii) consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent in a manner that directly and adversely affects such Person, or (iv) amend, modify or waive any provision of Section 3 with respect to any Letter of Credit without the written consent of the Letter of Credit Issuer to the extent such amendment, modification or waiver directly and adversely affects the Letters of Credit Issuer, or (v) amend, modify or waive any provisions hereof relating to Swingline Loans without the written consent of the Swingline Lender in a manner that directly and adversely affects such Person, or (vi) release all or substantially all of the Guarantors under the Guarantees (except as expressly permitted by the Guarantees, the Intercreditor Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, the Intercreditor Agreement or

this Agreement) without the prior written consent of each Lender, or (vii) reduce the percentage specified in the definition of the term Required Lenders or Super Majority Lenders or amend, modify or waive any provision of this Agreement that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, (viii) increase any advance rates under the definition of Borrowing Base (provided that the foregoing shall not impair the ability of the Administrative Agent to add, remove, reduce or increase Reserves against the ABL Priority Collateral included in the Borrowing Base in its Permitted Discretion) without the written consent of each Lender (other than a Defaulting Lender), or (ix) change the definition of Borrowing Base or any component definitions thereof which result in increased borrowing availability without the consent of the Super Majority Lenders or (y) notwithstanding anything to the contrary in clause (x), (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, in each case, without the written consent of such Lender.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender and (y) for any such amendment, waiver or consent that treats such Defaulting Lender disproportionately from the other Lender of the same Class (other than because of its status as a Defaulting Lender).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding the foregoing, in addition to any credit extensions and related Incremental Facility Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Revolving Credit Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Revolving Credit Loans.

The Lenders hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, upon the termination of this Agreement and the payment in full of all Obligations hereunder (except for (w) contingent indemnification obligations in respect of which a claim has not yet been made, (x) Secured Hedge Obligations, (y) Secured Cash Management Obligations and (z) cash collateralized Letters of Credit pursuant to arrangements reasonably acceptable to the applicable Letter of Credit Issuer), (ii) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee (in accordance with the second following sentence), (vi) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents, and (vii) if such assets constitute Excluded Property or Excluded Stock and Stock Equivalents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in

accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that any Restricted Subsidiary that is a Guarantor shall be released from the Guarantees upon consummation of any transaction not prohibited hereunder resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to add syndication or documentation agents and make customary changes and references related thereto with the consent of only the Borrower and the Administrative Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility or extension facility pursuant to Section 2.14 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to the Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of the Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing; provided that such other changes are not adverse, in any material respect, to the interests of the Lenders taken as a whole); provided, further, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower) and (y) effect administrative changes of a technical or immaterial nature (including to effect changes to the terms and conditions applicable solely to the Letter of Credit Issuer in respect of issuances of Letters of Credit) and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five Business Days' prior written notice of such change and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 9.12, 9.13 and 9.14 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of the Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

13.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer or the Swingline Lender to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings and the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer or the Swingline Lender.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

13.5 Payment of Expenses; Indemnification.

(a) Each of Holdings and the Borrower, jointly and severally, agrees (i) to pay or reimburse each of the Agents for all their reasonable and documented out-of-pocket costs and expenses (without duplication) incurred in connection with the development, preparation, execution and delivery of, and any amendment, supplement, modification to, waiver and/or enforcement this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Cahill Gordon & Reindel LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower), one counsel in each relevant local jurisdiction with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), (ii) to pay or reimburse each Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one firm or counsel to the Administrative Agent and the Collateral Agent, and, to the extent required, one firm or local counsel in each relevant local jurisdiction with the Borrower's consent (such consent not to be unreasonably withheld or delayed (which may include a single special counsel acting in multiple jurisdictions), and (iii) to pay, indemnify and hold harmless each Lender, each Agent, the Letter of Credit Issuer and their respective Related Parties (without duplication) (the "**Indemnified Persons**") from and against any and all losses, claims, damages, liabilities, obligations, demands, actions, judgments, suits, costs, expenses, disbursements

or penalties of any kind or nature whatsoever (and the reasonable and documented out-of-pocket fees, expenses, disbursements and other charges of one firm of counsel for all Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict notifies the Borrower of any existence of such conflict and in connection with the investigating or defending any of the foregoing (including the reasonable fees) has retained its own counsel, of another firm of counsel for such affected Indemnified Person), and to the extent required, one firm or local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions)) of any such Indemnified Person arising out of or relating to any action, claim, litigation, investigation or other proceeding (regardless of whether such Indemnified Person is a party thereto or whether or not such action, claim, litigation or proceeding was brought by Holdings, any of its Subsidiaries or any other Person), arising out of, or with respect to the Transactions or to the execution, enforcement, delivery, performance and administration of this Agreement, the other Credit Documents and any such other documents, including any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or any actual or alleged presence, Release or threatened Release of Hazardous Materials relating in any way to Holdings or any of its Subsidiaries (all the foregoing in this clause (iii), collectively, the "**Indemnified Liabilities**"); provided that Holdings and the Borrower shall have no obligation hereunder to any Indemnified Person with respect to indemnified liabilities to the extent arising from (i) the gross negligence, bad faith or willful misconduct of such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, (ii) a material breach of the obligations of such Indemnified Person or any of its Related Parties under the terms of this Agreement by such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, or (iii) any proceeding between and among Indemnified Persons that does not involve an act or omission by Holdings, the Borrower or their respective Restricted Subsidiaries; provided the Agents, to the extent acting in their capacity as such, shall remain indemnified in respect of such proceeding, to the extent that neither of the exceptions set forth in clause (i) or (ii) of the immediately preceding proviso applies to such person at such time. The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 13.5 shall not apply with respect to Taxes, other than any Taxes that represent losses, claims, damages, liabilities, obligations, penalties, actions, judgments, suits, costs, expenses or disbursements arising from any non-Tax claim.

(b) No Credit Party nor any Indemnified Person shall have any liability for any special, punitive, indirect or consequential damages resulting from this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); provided that the foregoing shall not limit Holdings and the Borrower's indemnification obligations to the Indemnified Persons pursuant to Section 13.5(a) in respect of damages incurred or paid by an Indemnified Person to a third party. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any Indemnified Person or any of its Related Parties as determined by a final and non-appealable judgment of a court of competent jurisdiction.

13.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 10.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 13.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 13.7, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including participations in L/C Obligations or Swingline Loans) at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed; it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment of Loans or Commitments to any assignee if an Event of Default under Section 11.1 or Section 11.5 (with respect to the Borrower) has occurred and is continuing; and

(B) the Administrative Agent (not to be unreasonably withheld or delayed), the Swingline Lender and the Letter of Credit Issuer.

Notwithstanding the foregoing, no such assignment shall be made to (i) a natural Person, Disqualified Lender or Defaulting Lender and (ii) Holdings, the Borrower or any of their Subsidiaries. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for ascertaining, inquiring, monitoring or enforcing the list of Persons who are Disqualified Lenders at any time.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "**Administrative Questionnaire**") and applicable tax forms (as required under Section 5.4(e)); and

(E) any assignment to an Affiliated Lender (other than an Affiliated Institutional Lender) shall also be subject to the requirements of Section 13.6(h).

For the avoidance of doubt, the Administrative Agent bears no responsibility for tracking or monitoring assignments to or participations by any Affiliated Lender.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party

hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 13.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 13.6, (i) the Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and stated interest amounts) and any payment made by the Letter of Credit Issuer under any Letter of Credit owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent, the Letter of Credit Issuer, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 13.6 and any written consent to such assignment required by clause (b) of this Section 13.6, the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender sell participations to one or more banks or other entities (other than (x) a natural person, (y) Holdings and its Subsidiaries and (z) any Disqualified Lender provided, however, that, notwithstanding clause (y) hereof, participations may be sold to Disqualified Lenders unless a list of Disqualified Lenders has been made available to all Lenders) (each, a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Administrative Agent, the Letter of Credit Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for ascertaining, inquiring, monitoring or enforcing the list of Disqualified Lenders or the sales of participations thereto at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) and (vii) of the second proviso to Section 13.1 that affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to

clause (b) of this Section 13.6, including the requirements of Section 5.4(e)) (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the participating Lender)). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; provided such Participant shall be subject to Section 13.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5, or 5.4 than the applicable Lender would have been entitled to receive absent the sale of such the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest amounts) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, or other central bank having jurisdiction over such Lender and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPV**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary

contained in this Section 13.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 13.16, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(g) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of Section 5.4(e) (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the Granting Lender)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 5.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(h) Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Loans or Commitments to an Affiliated Lender; provided that by its acquisition of Loans or Commitments, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) it shall not have any right to (i) attend or participate in (including, in each case, by telephone) any meeting (including "Lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Borrower are not then present, (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "Lender only", except to the extent such information or materials have been made available to the Borrower or their representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (iii) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender; and

(B) except with respect to any amendment, modification, waiver, consent or other action (I) in Section 13.1 requiring the consent of all Lenders, all Lenders directly and adversely affected or specifically such Lender, (II) that alters an Affiliated Lender's pro rata share of any payments given to all Lenders, or (III) affects the Affiliated Lender (in its capacity as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Loans and Commitments held by an Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that does not affect the Affiliated Lender in a manner that is materially adverse to such Affiliated Lender relative to other Lenders, shall be deemed to have voted its interest in the Loans and Commitments in the same proportion as the other Lenders) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph); and

(ii) the aggregate principal amount of Loans and Commitments held at any one time by Affiliated Lenders may not exceed 30% of the aggregate principal amount of all Loans and Commitments outstanding at the time of such purchase.

For avoidance of doubt, the foregoing limitations shall not be applicable to Affiliated Institutional Lenders.

13.7 Replacements of Lenders Under Certain Circumstances.

(a) The Borrower shall be permitted (x) to replace any Lender or (y) terminate the Commitment of such Lender or Letter of Credit Issuer, as the case may be, and (1) in the case of a Lender (other than the Letter of Credit Issuer), repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date and (2) in the case of the Letter of Credit Issuer, repay all Obligations of the Borrower owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or backstop on terms satisfactory to such Letter of Credit Issuer any Letters of Credit issued by it that (a) requests reimbursement for amounts owing pursuant to Sections 2.10 or 5.4, (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, or (c) becomes a Defaulting Lender, with a replacement bank or other financial institution; provided that (i) such replacement does not conflict with any Requirements of Law, (ii) no Event of Default under Sections 11.1 or 11.5 shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts pursuant to Sections 2.10, 2.11, or 5.4, as the case may be, owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, an Affiliate of the Lender, an Affiliated Lender or Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (v) the replacement bank or institution, if not already a Lender shall be subject to the provisions of Section 13.6(b), (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (provided that unless otherwise agreed the Borrower shall be obligated to pay the registration and processing fee referred to therein), and (vii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "**Non-Consenting Lender**") has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders directly and adversely affected or (ii) all of the Lenders, and, in each case, with respect to which the Required Lenders (or at least 50.1% of the directly and adversely affected Lenders) shall have granted their consent, then, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or to terminate the Commitment of such Lender or Letter of Credit Issuer, as the case may be, and (1) in the case of a Lender (other than the Letter of Credit Issuer), repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; and (2) in the case of the Letter of Credit Issuer, repay all Obligations of the Borrower owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or backstop on terms satisfactory to such Letter of Credit Issuer any Letters of Credit issued by it); provided that (a) all Obligations hereunder of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment including any amounts that such Lender may be owed pursuant to Section 2.11, and (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon, and (c) the Borrower shall pay to such Non-Consenting Lender the amount, if any, owing to such Lender pursuant to Section 5.1(b). In connection with any such assignment, the Borrower, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

13.8 Adjustments; Set-off.

(a) Except as contemplated in Section 13.6 or elsewhere herein, if any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or

proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. For purposes of subclause (ii)(a) of the definition of "Excluded Taxes", a Lender that acquires a participation pursuant to this Section 13.8 shall be treated as having acquired such participation on the date(s) on which such Lender acquired the applicable interest(s) in the Commitment(s) and/or Loan(s) to which such participation relates.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties but with the prior consent of the Administrative Agent, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, and petty cash accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

13.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 Integration. This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrower, the Texas Intermediate Holdcos, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

13.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

13.13 Submission to Jurisdiction; Waivers. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Borrower or any other Credit Party in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages; provided that nothing in this clause (e) shall limit the Credit Parties' indemnification obligations set forth in Section 13.5.

13.14 Acknowledgments. Each of Holdings, each Texas Intermediate Holdco and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrower and the other Credit Parties, on the one hand, and the Administrative Agent, the Lenders and the other Agents on the other hand, and the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);

(ii) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for the Borrower, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees, or any other Person;

(iii) neither the Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or other Agent has advised or is currently advising the Borrower, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents;

(iv) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and

(v) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and Holdings, the Texas Intermediate Holdcos and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of Holdings, the Texas

Intermediate Holdcos and the Borrower hereby agrees that it will not claim that any Agent owes a fiduciary or similar duty to the Credit Parties in connection with the Transactions contemplated hereby and waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Texas Intermediate Holdcos and the Borrower, on the one hand, and any Lender, on the other hand.

13.15 WAIVERS OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.16 Confidentiality. The Administrative Agent, each other Agent and each Lender (collectively, the "**Restricted Persons**" and, each a "**Restricted Person**") shall treat confidentially all non-public information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person's evaluation of whether to become a Lender hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement ("**Confidential Information**") and shall not publish, disclose or otherwise divulge such Confidential Information; provided that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its affiliates or any related parties thereto in violation of any confidentiality obligations owing under this Section 13.16, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person's knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective subsidiaries or affiliates, (e) to the extent that such Confidential Information was already in the possession of the Restricted Persons prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information, (f) to such Restricted Person's affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors, and other experts or agents who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) (with each such Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers (or other derivative transaction counterparties) (any such person, a "**Derivative Counterparty**"), participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); provided that (i) the disclosure of any such Confidential Information to any Lenders, Derivative Counterparties or prospective Lenders, Derivative Counterparties or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, Derivative Counterparty or prospective Lender or participant or prospective participant that such Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by

such Restricted Person to any person that is at such time a Disqualified Lender, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for the Borrower and the Credit Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16). Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis from a source other than the Borrower, its Subsidiaries or its Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 13.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by Holdings or any of its Subsidiaries, and (iv) each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement and the other Credit Documents.

13.17 Direct Website Communications. The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto, (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under this Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; provided that (i) upon written request by the Administrative Agent or the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(a) The Borrower further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on IntraLinks or a substantially similar electronic transmission system (the "**Platform**"), so long as the access to such Platform (i) is limited to the Agents, the Lenders and Transferees or prospective Transferees and (ii) remains subject to the confidentiality requirements set forth in Section 13.16.

(b) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE "**BORROWER MATERIALS**") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE,

NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**" and each an "**Agent Party**") have any liability to the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities, or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents as determined in the final non-appealable judgment of a court of competent jurisdiction.

(c) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, the Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, the Subsidiaries and their securities. Notwithstanding the foregoing, the Borrower shall use commercially reasonable efforts to indicate whether any document or notice contains only publicly available information; provided, however, that the following documents shall be deemed to be marked "PUBLIC," unless the Borrower notifies the Administrative Agent promptly that any such document contains material nonpublic information: (1) the Credit Documents, (2) any notification of changes in the terms of the Credit Facility and (3) all financial statements and certificates delivered pursuant to Sections 9.1(a), (b) and (d).

13.18 USA PATRIOT Act. Each Lender hereby notifies each Credit Party that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

13.19 [Reserved].

13.20 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

13.21 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other

obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

13.22 Nature of Borrower Obligations.

(a) Notwithstanding anything to the contrary contained elsewhere in this Agreement, it is understood and agreed by the various parties to this Agreement that all of the Borrower's Obligations to repay principal of, interest on, and all other amounts with respect to, all Loans, L/C Obligations and all other Obligations of the Borrower pursuant to this Agreement (including, without limitation, all fees, indemnities, taxes and other Obligations in connection therewith or in connection with the related Commitments) shall be guaranteed pursuant to, and in accordance with the terms of, the Guarantee.

(b) The obligations of the Borrower with respect to the Borrower's Obligations are independent of the obligations of any Guarantor under its guaranty of the Borrower's Obligations, and a separate action or actions may be brought and prosecuted against the Borrower, whether or not any such Guarantor is joined in any such action or actions. The Borrower waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof.

(c) The Borrower authorizes the Administrative Agent and the Lenders without notice or demand (except as shall be required by the Credit Documents and applicable statute that cannot be waived), and without affecting or impairing its liability hereunder, from time to time to:

(i) exercise or refrain from exercising any rights against any Guarantor or others or otherwise act or refrain from acting;

(ii) apply any sums paid by any other Person, howsoever realized or otherwise received to or for the account of the Borrower to any liability or liabilities of such other Person regardless of what liability or liabilities of such other Person remain unpaid; and/or

(iii) consent to or waive any breach of, or act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise, by any other Person.

(d) It is not necessary for the Administrative Agent or any other Lender to inquire into the capacity or powers of Holdings or any of its Subsidiaries or the officers, directors, members, partners or agents acting or purporting to act on its behalf.

(e) The Borrower waives any right to require the Administrative Agent or the other Lenders to (i) proceed against any Guarantor or any other party, (ii) proceed against or exhaust any security held from any Guarantor or any other party or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. The Borrower waives any defense based on or arising out of suretyship or any impairment of security held from the Borrower, any Guarantor or any other party or on or arising out of any defense of any Guarantor or any other party other than payment in full in cash of the Obligations of the Credit Parties, including, without limitation, any defense based on or arising out of the disability of any Guarantor or any other party, or the unenforceability of the Obligations of the Borrower or any part thereof from any cause, in each case other than as a result of the payment in full in cash of the Obligations of the Borrower.

(f) All provisions contained in any Credit Document shall be interpreted consistently with this Section 13.22 to the extent possible.

13.23 Amendment and Restatement.

(a) The Credit Parties, the Administrative Agent and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing ABL Facility shall be and hereby are amended and restated in their entirety by the terms and conditions of this Agreement and the terms and provisions of the Existing ABL Facility, except as otherwise provided in this Agreement (including, without limitation, clause (b) of this Section 13.23), shall be superseded by this Agreement. Upon the effectiveness of this Agreement, each Credit Document that was in effect immediately prior to the date of this Agreement shall continue to be effective on its terms unless otherwise expressly stated herein or therein.

(b) Notwithstanding the amendment and restatement of the Existing ABL Facility by this Agreement, the Credit Parties shall continue to be liable (i) to each Indemnified Person with respect to agreements on their part under the Existing ABL Facility to indemnify and hold harmless such Indemnified Person from and against all claims, demands, liabilities, damages, losses, costs, charges and expenses to which the Administrative Agent and the Lenders may be subject arising in connection with the Existing ABL Facility and (ii) for the Obligations (as defined in the Existing ABL Facility) of the Borrower and the other Credit Parties under the Existing ABL Facility and the other Credit Documents (as defined in the Existing ABL Facility) that remain unpaid and outstanding as of the date of this Agreement and such Obligations shall continue to exist under and be evidenced by this Agreement and the other Credit Documents. This Agreement is given as a substitution of, and not as a payment of, the obligations of the Credit Parties under the Existing ABL Facility and is not intended to constitute a novation of the Existing ABL Facility.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

ACADEMY, LTD.,
as the Borrower

By: Academy Managing Co., L.L.C.,
as its general partner

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ASSOCIATED INVESTORS, L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY MANAGING CO., L.L.C.

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Collateral Agent, Letter of Credit Issuer, Swingline Lender and a Lender

By: /s/ Candice Brooks
Name: Candice Brooks
Title: Authorized Officer

[Signature Page to ABL Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
individually as a Lender

By: /s/ Ian Maccubbin
Name: Ian Maccubbin
Title: Assistant Vice President

U.S. BANK NATIONAL ASSOCIATION,
individually as a Lender

By: /s/ David Lawrence
Name: David Lawrence
Title: Vice President

[Signature Page to ABL Credit Agreement]

REGIONS BANK
individually as a Lender

By: /s/ Connie Ruan
Name: Connie Ruan
Title: Vice President

[Signature Page to ABL Credit Agreement]

BARCLAYS BANK PLC,
individually as a Lender

By: /s/ Marguerite Sutton
Name: Marguerite Sutton
Title: Vice President

[Signature Page to ABL Credit Agreement]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
individually as a Lender

By: /s/ Bill O'Daly
Name: Bill O'Daly
Title: Authorized Signatory

By: /s/ Michaela Kenny
Name: Michaela Kenny
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.,
individually as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[Signature Page to ABL Credit Agreement]

GOLDMAN SACHS BANK USA,
individually as a Lender

By: /s/ Rebecca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory

BANK OF AMERICA, N.A.
individually as a Lender

By: /s/ Lauren Trussell
Name: Lauren Trussell
Title: Vice President

[Signature Page to ABL Credit Agreement]

CAPITAL ONE BUSINESS CREDIT CORP.,
individually as a Lender

By: /s/ Ron Walker
Name: Ron Walker
Title: Senior Vice President

[Signature Page to ABL Credit Agreement]

COMPASS BANK,
individually as a Lender

By: /s/ Michael Sheff
Name: Michael Sheff
Title: Senior Vice President

[Signature Page to ABL Credit Agreement]

FIFTH THIRD BANK,
individually as a Lender

By: /s/ Matthew Lewis
Name: Matthew Lewis
Title: Vice President

[Signature Page to ABL Credit Agreement]

MIZUHO BANK, LTD.,
individually as a Lender

By: /s/ James Fayen
Name: James Fayen
Title: Deputy General Manager

[Signature Page to ABL Credit Agreement]

Exhibit 10.6

EXECUTION VERSION

AMENDMENT NO. 1 TO FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT

AMENDMENT NO. 1 TO FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT, dated as of May 22, 2018 (this "Amendment"), among **ACADEMY, LTD.**, a Texas limited partnership ("Borrower"), **NEW ACADEMY HOLDING COMPANY, LLC**, a Delaware limited liability company ("Holdings"), **ASSOCIATED INVESTORS L.L.C.**, a Texas limited liability company, **ACADEMY MANAGING CO., L.L.C.**, a Texas limited liability company (together with Academy Associated Investors L.L.C, the "Texas Intermediate Holdcos"), each of the Guarantors that is a signatory hereto, each of the lenders that is a signatory hereto; and **JPMORGAN CHASE BANK, N.A.**, as administrative agent and collateral agent (in such capacity, together with its successors, the "Administrative Agent"), Letter of Credit Issuer and Swingline Lender.

W I T N E S S E T H:

WHEREAS, Holdings, the Texas Intermediate Holdcos, the Borrower, the Administrative Agent, the Letter of Credit Issuer and Swingline Lender and each lender from time to time party thereto (the "Lenders") have entered into a First Amended and Restated ABL Credit Agreement, dated as of July 2, 2015 (the "Credit Agreement") (capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Amended Credit Agreement (as defined below));

WHEREAS, on the date hereof, the Borrower, the Guarantors, the Administrative Agent, the Letter of Credit Issuer, the Swingline Lender and the Lenders party hereto desire to amend the Credit Agreement as set forth in Section 1 hereof;

WHEREAS, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Capital One, National Association (collectively, the "Arrangers") will act as joint lead arrangers and bookrunners in connection with this Amendment and the Amended Credit Agreement (as defined below).

WHEREAS, the Administrative Agent, the Credit Parties, the Letter of Credit Issuer, the Swingline Lender and the Lenders constituting all of the Lenders on the Amendment No. 1 Effective Date (as defined below) signatory hereto are willing to so agree pursuant to Section 13.1 of the Credit Agreement, subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the sufficiency and receipt of all of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendment. Effective as of the Amendment No. 1 Effective Date and subject to the terms and conditions set forth herein:

(a) the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Annex A hereto (the Credit Agreement, as so amended, being referred to as the "Amended Credit Agreement");

(b) as used in any other Credit Document, all references to the "Credit Agreement" in such Credit Document shall, unless the context otherwise requires, mean or refer to the Amended Credit Agreement; and

(c) Schedule 1.1(b) attached hereto as Annex B shall replace Schedule 1.1(b) to the Credit Agreement in effect immediately prior to the Amendment No. 1 Effective Date.

SECTION 2. Conditions of Effectiveness. This Amendment and the amendment of the Credit Agreement as set forth in Section 1 hereof shall become effective as of the first date (such date being referred to as the "Amendment No. 1 Effective Date") when each of the following conditions shall have been satisfied:

(a) The Administrative Agent shall have received this Amendment, duly executed and delivered by (A) the Borrower, (B) Holdings, (C) the other Guarantors, (D) the Letter of Credit Issuer, (E) the Swingline Lender and (F) the Lenders.

(b) The Administrative Agent (or its counsel) shall have received the executed legal opinion, in customary form, of Simpson Thacher & Bartlett LLP, special New York counsel to the Credit Parties. The Borrower hereby instructs and agrees to instruct the other Credit Parties to have such counsel deliver such legal opinions.

(c) The Administrative Agent (or its counsel) shall have received a certificate of (x) each of Holdings, the Borrower and the other Guarantors, dated the Amendment No. 1 Effective Date, substantially in the form of Exhibit E to the Credit Agreement, with appropriate insertions, executed by any Authorized Officer and the Secretary or any Assistant Secretary of Holdings, the Borrower and each other Guarantor, as applicable, and attaching the documents referred to in clause (d) and (y) an Authorized Officer of the Borrower certifying compliance with Section 3 hereof and Section 7.1 of the Credit Agreement.

(d) The Administrative Agent shall have received (i) a copy of the resolutions of the board of directors or other managers of the Borrower, Holdings and the other Guarantors (or a duly authorized committee thereof) authorizing the execution, delivery, and performance of the Amendment and the other Credit Documents (and any agreements relating thereto) to which it is a party, (ii) the Certificate of Incorporation and By-Laws, Certificate of Formation and Operating Agreement or other comparable organizational documents, as applicable, of the Borrower, Holdings and the other Guarantors (or a confirmation that there have been no changes to such documents since those that were delivered to the Administrative Agent on the Restatement Effective Date), and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of Holdings, the Borrower and the other Guarantors executing the Credit Documents to which it is a party (or a confirmation that there have been no changes to such documents since those that were delivered to the Administrative Agent on the Restatement Effective Date).

(e) The Administrative Agent and the Lenders shall have received (i) at least two Business Days prior to the Amendment No. 1 Effective Date such documentation and information as is reasonably requested in writing at least ten calendar days prior to the Amendment No. 1 Effective Date by the Administrative Agent or the Lenders about the Credit Parties to the extent required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, any Lender that has requested in a written notice to the Borrower at least two Business days prior to the Amendment No. 1 Effective Date, a Beneficial Ownership Certification (as defined in the Amended Credit Agreement) in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Amendment, the condition set forth in this clause (ii) shall be deemed to be satisfied.

(f) Payment of all reasonable fees and expenses due to (a) the Administrative Agent (as agreed to in writing between the Administrative Agent and the Borrower) (including, without limitation, fees and reasonable out-of-pocket expenses of Cahill Gordon & Reindel LLP, counsel to the Administrative Agent) and (b) the Arrangers (including, without limitation, fees and reasonable out-of-pocket expenses of counsel to the Arrangers), in each case required to be paid on the Amendment No. 1 Effective Date.

SECTION 3. Representations and Warranties. Each Credit Party represents and warrants as follows as of the date hereof:

(a) Neither the execution, delivery or performance by any Credit Party of the Amendment nor compliance with the terms and provisions hereof and the consummation of other transactions contemplated hereby will (i) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (ii) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a "Contractual Requirement") other than any such breach, default or Lien that could not reasonably be expected to result in a Material Adverse Effect or (iii) violate any provision of the certificate of incorporation, by-laws, articles or other organizational documents of such Credit Party or any of the Restricted Subsidiaries.

(b) Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of this Amendment and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Amendment. Each Credit Party has duly executed and delivered this Amendment and this Amendment constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

(c) Upon the effectiveness of this Amendment and both before and immediately after giving effect to this Amendment, no Default or Event of Default exists.

SECTION 4. Reference to and Effect on the Credit Agreement and the Credit Documents.

(a) On and after the Amendment No. 1 Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

(b) The Credit Agreement and each of the other Credit Documents, as specifically amended by this Amendment are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, (i) the Security Docu

ments and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Credit Parties under the Credit Documents, in each case, as amended by this Amendment and all grants of security interests are hereby reaffirmed and (ii) each Guarantor hereby confirms and ratifies its continuing unconditional obligations as Guarantor under the Guarantee to which it is a party with respect to the Obligations.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Credit Documents, nor constitute a waiver of any provision of any of the Credit Documents nor a novation thereof. On and after the effectiveness of this Amendment, this Amendment shall for all purposes constitute a Credit Document.

(d) By executing and delivering a copy of this Amendment, each applicable Credit Party hereby agrees and confirms that all Obligations (including those created hereby) shall continue to be guaranteed and secured pursuant to the Credit Documents.

SECTION 5. Execution in Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment.

SECTION 6. Governing Law; Waivers.

(a) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH CREDIT PARTY IRREVOCABLY AND UNCONDITIONALLY:

(i) submits for itself and its property in any legal action or proceeding relating to this Amendment, or for the recognition and enforcement of any judgment in respect hereof, to the exclusive general jurisdiction of the courts of the State of New York, in each case sitting in New York City in the Borough of Manhattan, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof;

(ii) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same to commence or support any such action or proceeding in any other courts;

(iii) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 of the Amended Credit Agreement at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2 of the Amended Credit Agreement;

(iv) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Credit Party in any other jurisdiction; and

(v) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 6 any special, exemplary, punitive or consequential damages.

EACH CREDIT PARTY AND EACH LENDER AND THE ADMINISTRATIVE AGENT IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

[*The remainder of this page is intentionally left blank*]

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

ACADEMY, LTD.,
as Borrower

By: Academy Managing Co., L.L.C.,
its General Partner

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

ACADEMY MANAGING CO., L.L.C.

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

ASSOCIATED INVESTORS, L.L.C.

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

ACADEMY FINANCE CORPORATION

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY FINANCE COMPANY, LLC

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

NEW ACADEMY FINANCE CORPORATION

By: /s/ Michael P. Mullican
Name: Michael P. Mullican
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Collateral Agent, Letter of Credit Issuer and Swingline Lender

By: /s/ Laurie C. Tuze
Name: Laurie C. Tuze
Title: Managing Director

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Laura Woodward
Name: Laura Woodward
Title: Vice President

If a second signature is necessary:

By: /s/
Name:
Title:

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jennifer Cann
Name: Jennifer Cann
Title: Managing Director

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

CAPITAL ONE, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Joe A. Sacchetti
Name: Joe A. Sacchetti
Title: Duly Authorized Signatory

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

BANK OF AMERICA, N.A.
as a Lender

By: /s/ Peter M. Walther
Name: Peter M. Walther
Title: Senior Vice President

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

REGIONS BANK
as a Lender

By: /s/ Connie Ruan
Name: Connie Ruan
Title: Director

If a second signature is necessary:

By: /s/
Name:
Title:

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

SUN TRUST BANK
as a Lender

By: /s/ J. Matney Gornall
Name: J. Matney Gornall
Title: Vice President

If a second signature is necessary:

By: /s/
Name:
Title:

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ David Lawrence
Name: David Lawrence
Title: Vice President

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

COMPASS BANK (d.b.a. BBVA COMPASS),
as a Lender

By: /s/ Kevin Wisel
Name: Kevin Wisel
Title: Senior Vice President

If a second signature is necessary:

By: /s/
Name:
Title:

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

FIFTH THIRD BANK,
as a Lender

By: /s/ Kristina M. Miller
Name: Kristina M. Miller
Title: Senior Vice President

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

BARCLAYS BANK PLC,
as a Lender

By: /s/ Ritam Bhalla
Name: Ritam Bhalla
Title: Director

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

CREDIT SUISSE AG, Cayman Island Branch
as a Lender

By: /s/ William O'Daly
Name: William O'Daly
Title: Authorized Signatory

If a second signature is necessary:

By: /s/ D. Andrew Maletta
Name: D. Andrew Maletta
Title: Authorized Signatory

The undersigned Lender hereby irrevocably and unconditionally approves the Amendment, the certain amendments set forth therein and in the Amended Credit Agreement and each Credit Document and each other document required to be delivered or approved pursuant to this Amendment and the Amended Credit Agreement.

MORGAN STANLEY SENIOR FUNDING, INC.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Vice President

~~EXECUTION VERSION~~ANNEX A

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT

dated as of July 2, 2015
as amended by Amendment No. 1 on May 22, 2018

among

ACADEMY, LTD.,
as the Borrower,

NEW ACADEMY HOLDING COMPANY, LLC,
as Holdings,

ASSOCIATED INVESTORS LLC,
and
ACADEMY MANAGING CO., LLC,
as Texas Intermediate Holdcos

The Several Lenders
from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,
as the Administrative Agent, Collateral Agent, Letter of Credit Issuer
and Swingline Lender

J.P. MORGAN SECURITIES LLC,
BARCLAYS BANK PLC,
CREDIT SUISSE SECURITIES (USA) LLC,
GOLDMAN SACHS BANK USA,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
MORGAN STANLEY SENIOR FUNDING, INC.,
REGIONS CAPITAL MARKETS,
U.S. BANK NATIONAL ASSOCIATION
and
WELLS FARGO BANK~~, N.A.~~, NATIONAL ASSOCIATION
as Joint Lead Arrangers and Bookrunners

WELLS FARGO BANK~~, N.A.~~, NATIONAL ASSOCIATION
as the Syndication Agent
and
U.S. BANK NATIONAL ~~ASSOCATION~~ASSOCIATION
as the Documentation Agent

JPMORGAN CHASE BANK, N.A.
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
CAPITAL ONE, NATIONAL ASSOCIATION
as the Amendment No. 1 Arrangers

WELLS FARGO BANK, NATIONAL ASSOCIATION
and
CAPITAL ONE, NATIONAL ASSOCIATION
as the Amendment No. 1 Syndication Agents

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED as the Amendment No. 1 Documentation Agent

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT

FIRST AMENDED AND RESTATED ABL CREDIT AGREEMENT, dated as of July 2, ~~2015,~~2015 and as amended by AMENDMENT NO. 1, dated as of May 22, 2018, among ACADEMY, LTD., a Texas limited partnership (the "**Borrower**"), NEW ACADEMY HOLDING COMPANY, LLC, a Delaware limited liability company, ASSOCIATED INVESTORS LLC and ACADEMY MANAGING CO., LLC, as Texas Intermediate Holdcos, the lending institutions from time to time parties hereto (each a "**Lender**" and, collectively, the "**Lenders**") and JPMORGAN CHASE BANK, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender (such terms and each other capitalized term used but not defined in this preamble having the meaning provided in Section 1.1).

WHEREAS, the Borrower, certain of the Lenders and JPMorgan Chase Bank, N.A., as administrative agent for such lenders, are parties to the Existing ABL Facility (defined below) pursuant to which asset based revolving credit loans have been made available to the Borrower and the Borrower has requested to amend and restate the Existing ABL Facility in its entirety;

WHEREAS, in connection with the foregoing, the Borrower has requested that (i) the Lenders extend credit in the form of Revolving Credit Loans made available to the Borrower at any time and from time to time prior to the Revolving Credit Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $~~650,000,000~~1,000,000,000 less the sum of (1) aggregate Letters of Credit Outstanding at such time and (2) the aggregate principal amount of all Swingline Loans outstanding at such time (ii) the Letter of Credit Issuers issue Letters of Credit at any time and from time to time prior to the L/C Facility Maturity Date, in an aggregate Stated Amount at any time outstanding not in excess of $100,000,000 and (iii) the Swingline Lender extend credit in the form of Swingline Loans at any time and from time to time prior to the Swingline Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $65,000,000 the Lenders extend Commitments to the Borrower on the Restatement Effective Date of up to $~~650,000,000~~1,000,000,000 ;

WHEREAS, it is intended that the Borrower will incur term loans under a term loan facility established pursuant to the Term Loan Credit Documents (the "**Term Loan Facility**") generating gross proceeds of $1,825,000,000;

WHEREAS, the proceeds of the Term Loans will be used, together with any net proceeds of borrowings by the Borrower hereunder on the Restatement Effective Date, to finance the Transactions and borrowings hereunder after the Restatement Effective Date will be used for working capital and for other general corporate purposes; and

WHEREAS, the Lenders and the Letter of Credit Issuers are willing to make available to the Borrower such revolving credit and letter of credit facilities upon the terms and subject to the conditions set forth herein.

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

Section 1. Definitions

1.1 Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"**ABL Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit H (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) between the Collateral Agent and the collateral agent under the Term Loan Facility.

"**ABL Priority Collateral**" shall have the meaning provided in the ABL Intercreditor Agreement.

"**ABR**" shall mean for any day, a ~~fluctuating~~ rate per annum equal to the ~~highest of (i) the Federal Funds Effective Rate *plus* 1/2 of 1%, (ii) the rate of interest in effect for such day as determined from time to time by the Administrative Agent as its "prime rate" at its principal office in New York City, and (iii~~greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOR Rate ~~(which rate shall be calculated~~for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted LIBOR Rate for any day shall be based on ~~an Interest Period of one month as of such date) *plus* 1%~~the LIBOR Screen Rate (or if the LIBOR Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in ~~such rate determined by the Administrative Agent or in the Federal Funds Effective Rate or Adjusted LIBOR Rate shall take effect at the opening of business on the day of such change~~the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.10 hereof, then the ABR shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**ABR Loan**" shall mean each Loan bearing interest based on the ABR.

"**Account(s)**" shall mean "accounts" as defined in the UCC, and includes without limitation a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, or (c) arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Account" does not include (a) rights to payment evidenced by chattel paper or an instrument, (b) commercial tort claims, (c) deposit accounts, (d) investment property, (e) letter-of-credit rights or letters of credit, or (f) rights to payment for money or funds advanced other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

~~"**Account Debtor**" shall mean any Person obligated on an Account, Chattel Paper or General Intangible.~~

"**ACH**" shall mean automated clearing house transfers.

"**Acquired EBITDA**" shall mean, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a "**Pro Forma Entity**") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and the Restricted Subsidiaries therein were to such Pro Forma Entity and its Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in accordance with GAAP.

"**Acquired Entity or Business**" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"**Acquired Indebtedness**" shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary, of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary, of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Adjusted LIBOR Rate**" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum equal to the product of (i) the LIBOR Rate in effect for such Interest Period and (ii) Statutory Reserves.

"**Adjusted Total Revolving Credit Commitment**" shall mean at any time the Total Revolving Credit Commitment less the aggregate Revolving Credit Commitments of all Defaulting Lenders.

"**Adjustment Date**" shall mean the last day of each calendar month of March, June, September and December.

"**Administrative Agent**" shall mean JPMorgan Chase Bank, N.A., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

"**Administrative Agent's Office**" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 13.2 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"**Administrative Questionnaire**" shall have the meaning provided in Section 13.6(b)(ii)(D).

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"**Affiliated Institutional Lender**" shall mean (i) any Affiliate of the Sponsor that is a bona fide debt fund or any such Affiliate that extends credit or buys loans in the ordinary course of business, (ii) KKR Corporate Lending LLC and KKR Capital Markets LLC and (iii) MCS Corporate Lending LLC and MCS Capital Markets LLC.

"**Affiliated Lender**" shall mean a Lender that is the Sponsor or any Affiliate thereof (other than Holdings, the Borrower, any Subsidiary of Holdings, or any Affiliated Institutional Lender).

"**Agent Parties**" shall have the meaning provided in Section 13.17(~~b~~c).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent and each Joint Lead Arranger and Bookrunner.

"**Agreement**" shall mean this First Amended and Restated ABL Credit Agreement.

"**Amendment No. 1**" shall mean Amendment No. 1 to this Agreement dated as of May 22, 2018, among Holdings, the Borrower, the Guarantors, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer, the Swingline Lender and the Lenders party thereto.

"**Amendment No. 1 Arrangers**" shall mean JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Capital One, National Association, as joint lead arrangers and bookrunners for Amendment No. 1.

"**Amendment No. 1 Effective Date**" shall mean May22, 2018.

"**Anti-Corruption Laws**"~~means~~shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"**Applicable Margin**" shall mean, for any day, with respect to all Revolving Credit Loans, the applicable rate per annum set forth below, based upon the Average Excess Availability as of the most recent Adjustment Date occurring after the first fiscal quarter ending after the Restatement Effective Date; provided that until the first Adjustment Date, the "Applicable Margin" shall be the applicable rate per annum set forth below in Category 2:

Category	Average Excess Availability	Adjusted LIBOR Rate Revolving Credit Loans	ABR Rate Revolving Credit Loans
1	Average Excess Availability less than or equal to 33.3% of the Maximum Borrowing Amount	1.75%	0.75%
2	Average Excess Availability greater than 33.3% of the Maximum Borrowing Amount, but less than or equal to 66.6% of the Maximum Borrowing Amount	1.50%	0.50%
3	Average Excess Availability greater than 66.6% of the Maximum Borrowing Amount	1.25%	0.25%

The Applicable Margin shall be adjusted quarterly on a prospective basis on each Adjustment Date based upon the Average Excess Availability in accordance with the table above; provided that (i) if a Specified Default shall have occurred and be continuing at the time any reduction in the Applicable Margin would otherwise be implemented, then no such reduction shall be implemented until the date on which such Specified Default shall no longer be continuing, and (ii) if any Borrowing Base Certificate delivered pursuant to this Agreement is at any time restated or otherwise revised, or if the information set forth in any such Borrowing Base Certificate otherwise proves to be false or incorrect such that the Applicable Margin would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be recalculated by the Administrative Agent at such higher rate for any applicable periods and shall be due and payable within 5 Business Days of receipt of such calculation by the Borrower from the Administrative Agent and shall be payable only to the Lenders whose Commitments were outstanding during such period when the Applicable Margin should have been higher (regardless of whether such Lenders remain parties to this Agreement at the time such payment is made).

Notwithstanding the foregoing, the Applicable Margin in respect of any Class of Incremental Commitments or any Incremental Revolving Credit Loans made pursuant to any Incremental Commitments shall be the applicable percentages per annum set forth in the relevant Incremental Facility Amendment.

"**Approved Foreign Bank**" shall have the meaning provided in the definition of "Cash Equivalents".

"**Approved Fund**" shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"**Asset Sale**" shall mean:

(i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback (other than a Permitted Sale Leaseback)) (each a "**disposition**") of the Borrower or any Restricted Subsidiary, or

(ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred stock of Restricted Subsidiaries issued in compliance with Section 10.1), whether in a single transaction or a series of related transactions,

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, worn out or surplus property or property (including leasehold property interests) that is no longer economically practical in its business or commercially desirable to maintain or no longer used or useful equipment in the ordinary course of business or any disposition of inventory, immaterial assets, or goods (or other assets) in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 10.3;

(c) the incurrence of Liens that are permitted to be incurred pursuant to Section 10.2 or the making of any Restricted Payment or Permitted Investment (other than pursuant to clause (i) of the definition thereof) that is permitted to be made, and is made, pursuant to Section 10.5;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate Fair Market Value of less than the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition;

(e) any disposition of property or assets or issuance of securities by (1) a Restricted Subsidiary to the Borrower or (2) by the Borrower or a Restricted Subsidiary to another Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) any issuance, sale or pledge of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;

(h) foreclosures, condemnation, casualty or any similar action on assets (including dispositions in connection therewith);

(i) sales of accounts receivable, or participations therein, and related assets in connection with any Receivables Facility;

(j) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Restatement Effective Date, including Sale Leasebacks and asset securitizations permitted by this Agreement;

(k) (1) any surrender or waiver of contractual rights or the settlement, release, or surrender of contractual rights or other litigation claims, (2) the termination or collapse of cost sharing agreements with the Borrower or any Subsidiary and the settlement of any crossing payments in connection therewith, or (3) the settlement, discount, write off, forgiveness, or cancellation of any Indebtedness owing by any present or former consultants, directors, officers, or employees of the Borrower (or any direct or indirect parent company of the Borrower) or any Subsidiary or any of their successors or assigns;

(l) the disposition or discount of inventory, accounts receivable, or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(m) the licensing, cross-licensing or sub-licensing of Intellectual Property or other general intangibles (whether pursuant to franchise agreements or otherwise) in the ordinary course of business;

(n) the unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;

(o) sales, transfers, and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(p) the lapse or abandonment of Intellectual Property rights, which in the reasonable business judgment of the Borrower are not material to the conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole;

(q) the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(r) dispositions of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased or (2) the proceeds of such Asset Sale are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

(s) leases, assignments, subleases, licenses, or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Restricted Subsidiaries, taken as a whole;

(t) dispositions of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted hereunder;

(u) the lease, assignment, sub-lease, license or sub-license of, or any transfer related to a "reverse build to suit" or similar transaction in respect of, any real or personal property in the ordinary course of business;

(v) other Asset Sales with a Fair Market Value less than or equal to $75,000,000 in the aggregate; and

(w) dispositions of assets that do not constitute ABL Priority Collateral.

"**Assignment and Acceptance**" shall mean an assignment and acceptance substantially in the form of Exhibit F, or such other form (including electronic records generated by the use of an electronic platform) as may be approved by the Administrative Agent.

"**Assignment Taxes**" shall have the meaning provided in the definition of "Other Taxes".

"**Assumed Tax Rate**" shall mean, for each taxable year, the highest combined marginal federal, state and local income (including under Sections 1401 through 1403 and Section 1411 of the Code) tax rate applicable for such tax year to an individual or corporation that is resident in New York City (whichever is higher), applicable to the character of net taxable income (e.g. ordinary income, qualified dividend income or capital gains, as appropriate), taking into account the holding period of the assets disposed of, and taking into account the deductibility of state and local income taxes as applicable at the time for federal income tax purposes and any limitations thereon including pursuant to Section 68 of the Code.

"**Authorized Officer**" shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer), the ~~Chief Executive Officer, President, the Chief~~chief executive officer, president, a Financial Officer, ~~the Treasurer, the Controller, the Vice President-Finance, a Senior Vice President, an Executive Vice President, a Director, a Manager, the Secretary, the Assistant Secretary~~a senior vice president, an executive vice president, a director, a manager, the secretary, the assistant secretary or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person.

"**Auto-Extension Letter of Credit**" shall have the meaning provided in Section 3.2(d).

"**Available Amount"** shall have the meaning provided in Section 10.5(a)(4)(iii).

"**Available Commitment**" shall mean an amount equal to the excess, if any, of (i) the amount of the Total Revolving Credit Commitment over (ii) the sum of the aggregate principal amount of (a) all Revolving Credit Loans then outstanding and (b) the aggregate Letters of Credit Outstanding at such time.

"**Average Excess Availability**" shall mean, at any Adjustment Date, the average daily Excess Availability for the fiscal quarter immediately preceding such Adjustment Date.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Bank Product**" shall mean any of the following products, services or facilities provided to any Credit Party (a) products under each Hedge Agreement that (i) is in effect on the Restatement Effective Date with a counterparty that is an Agent, Lender or Affiliate thereof as of the Restatement Effective Date or (ii) is entered into after the Restatement Effective Date with any counterparty that is an Agent, Lender or Affiliate at the time such Hedge Agreement is entered into, (b) Cash Management Services, or (c) other banking products or services as may be requested by any Credit Party or Subsidiary, other than Letters of Credit, and provided by a Person that is an Agent, Lender or Affiliate on the date the agreement giving rise to such banking products or services are entered into.

"**Bank Product Debt**" shall mean Indebtedness and other obligations or liabilities of a Credit Party owed to the provider of a Bank Product.

"**Bank Product Reserve**" shall mean the aggregate amount of reserves established by the Administrative Agent from time to time in respect of Secured Bank Product Obligations, including reserves which the Administrative Agent shall establish in the amounts set forth in written notices from the Secured Bank Product Providers described in the definition of the term "Secured Bank Product Obligations". The amount of any Bank Product Reserve established by the Administrative Agent (x) shall have a reasonable relationship to the Secured Bank Product Obligation that is the basis for such Reserve as determined by the Administrative Agent in good faith and (y) shall not be duplicative of other Reserves then in effect.

"**Bankruptcy Code**" shall have the meaning provided in Section 11.5.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230.

"**Benefit Plan**" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

" **Benefited Lender**" shall have the meaning provided in Section 13.8(a).

"**Blocked Account Agreement**" shall have the meaning provided in Section ~~9.17~~9.16(a).

"**Blocked Accounts**" shall have the meaning provided in Section ~~9.17~~9.16(a).

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

"**Borrower**" shall have the meaning provided in the preamble to this Agreement.

"**Borrower Materials**" shall have the meaning provided in Section 13.17(~~b~~c).

"**Borrowing**" shall mean (i) Loans of the same Class and Type, made, converted, or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect or (ii) a Swingline Loan.

"**Borrowing Base**" shall mean, at any time of calculation, an amount equal to:

(a) 90% of the face amount of the Eligible Credit Card Receivables of the Credit Parties on a consolidated basis; plus

(b) 90% of the NOLV Percentage of the Eligible Inventory of the Credit Parties on a consolidated basis; minus

(c) the then applicable amount of all Reserves.

"**Borrowing Base Certificate**" shall mean a certificate, signed and certified as accurate and complete by the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower, in substantially the form of Exhibit N or another form which is acceptable to the Administrative Agent in its reasonable discretion.

"**Business Day**" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close, and, if such day relates to any interest rate settings as to a LIBOR Loan, any fundings, disbursements, settlements, and payments in respect of any such LIBOR Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the applicable London interbank market.

~~"**Call Date**" shall mean, with respect to an Account, the date on which the applicable service is provided.~~

"**Capital Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant, or equipment reflected in the consolidated balance sheet of the Borrower and the Restricted Subsidiaries (including capitalized software expenditures, website development costs, website content development costs, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs).

"**Capital Lease**" shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person, subject to Section 1.12.

"**Capital Stock**" shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that "cash-settled phantom appreciation programs" in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock).

"**Capitalized Lease Obligation**" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP, subject to Section 1.12.

"**Capitalized Software Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Borrower and the Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries.

"**Cash Collateral**" shall have a meaning correlative to the immediately succeeding paragraph and shall include the proceeds of such cash collateral and other credit support.

"**Cash Collateralize**" shall mean to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Letter of Credit Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the Letter of Credit Issuers shall agree in their sole discretion, other credit support. "**Cash Collateralization**" has a correlative meaning.

"**Cash Dominion Period**" shall mean (a) the period from the date that Excess Availability is less than the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $~~40,000,000~~60,000,000 for five (5) consecutive Business Days until the date that Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $~~40,000,000~~60,000,000 for twenty (20) consecutive calendar days or (b) upon the occurrence of a Specified Default, the period that such Specified Default shall be continuing.

"**Cash Equivalents**" shall mean:

(i) Dollars,

(ii) (a) Euro, Pounds Sterling, Yen, Swiss Francs, Canadian Dollars, or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business,

(iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition,

(iv) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $100,000,000,

(v) repurchase obligations for underlying securities of the types described in clauses (iii), (iv), and (ix) entered into with any financial institution meeting the qualifications specified in clause (iv) above,

(vi) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof,

(vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof,

(viii) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition,

(ix) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition,

(x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "**Approved Foreign Bank**"), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

(xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies, and

(xii) investment funds investing 90% of their assets in securities of the types described in clauses (i) through (ix) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; provided that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Credit Documents regardless of the treatment of such items under GAAP.

"**Cash Management Agreement**" shall mean any agreement or arrangement to provide Cash Management Services.

"**Cash Management Bank**" shall mean any Person that, at the time it enters into a Cash Management Agreement with the Borrower or any Restricted Subsidiary, is an Agent or a Lender or an Affiliate of an Agent or a Lender or (ii) any Person that is designated by the Borrower as a "Cash Management Bank" by written notice to the Administrative Agent substantially in the form of Exhibit ~~L~~M-2 or such other form reasonably acceptable to the Administrative Agent.

"**Cash Management Services**" shall mean any one or more of the following types of services or facilities provided to any Credit Party by any Person who on the date of the agreement giving rise thereto is entered into is an Agent or a Lender or an Affiliate of an Agent or a Lender (a) ACH transactions; (b) cash management services, including, without limitation, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services; (c) foreign exchange facilities; (d) credit card processing services; (e) purchase cards; and (f) credit or debit cards.

"**CFC**" shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"**CFC Holding Company**" shall mean a Domestic Subsidiary of the Borrower substantially all of the assets of which consist of equity of one or more Foreign Subsidiaries that are CFCs.

"**Change in Law**" shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Restatement Effective Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the Restatement Effective Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Restatement Effective Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law), including, for avoidance of doubt any such adoption, change or compliance in respect of (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or foreign regulatory authorities pursuant to Basel III in each case, regardless of the date enacted, adopted or issued.

"**Change of Control**" shall mean and be deemed to have occurred if (i) at any time prior to an IPO of Holdings or any Parent Entity, the Permitted Holders shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Holdings; (ii) any Person, entity, or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), other than the Permitted Holders, shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Holdings that exceeds 35% thereof, unless, in case of clause (i) or clause (ii) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of directors of Holdings; (iii) at any time, a Change of Control (as defined in the Term Loan Credit Agreement) shall have occurred; or (iv) Holdings shall cease to beneficially own, directly or indirectly, 100% of the issued and outstanding equity interests of the Borrower. For the purpose of clauses (i) and (ii) and (iv) at any time when a majority of the outstanding Voting Stock of Holdings is directly or indirectly owned by a Parent Entity or, if applicable, a Parent Entity acts as the manager, managing member or general partner of Holdings, references in this definition to "Holdings" shall be deemed to refer to the ultimate Parent Entity that directly or indirectly owns such Voting Stock or acts as (or, if applicable, is a Parent Entity that directly or indirectly owns a majority of the outstanding Voting Stock of) such manager, managing member or general partner. For purposes of this definition, (i) "beneficial ownership" shall be as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act, (ii) the phrase Person or "group" is within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and (iii) if any Person or "group" includes one or more Permitted Holders, the issued and outstanding Equity Interests of Holdings or the Borrower, as applicable, directly or indirectly owned by the Permitted Holders that are part of such Person or "group" shall not be treated as being owned by such Person or "group" for purposes of determining whether clause (ii) of this definition is triggered.

"**Chattel Paper**" has the meaning provided in the Security Agreement.

"**Claims**" has the meaning provided in the definition of "Environmental Claims".

"**Class**" (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Revolving Credit Loans, Incremental Revolving Credit Loans or Swingline Loans, and (ii) when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment or an Incremental Commitment.

"**Closing Date**" shall mean August 3, 2011.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean all property pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property.

"**Collateral Agent**" shall mean JPMorgan Chase Bank, N.A., as collateral agent under the Security Documents, or any successor collateral agent pursuant to Section 12.9, and any Affiliate or designee of JPMorgan Chase Bank, N.A. may act as the Collateral Agent under any Credit Document.

"**Commercial Letter of Credit**" shall mean any Letter of Credit or, with respect to Secured Commercial LC Facilities, any letter of credit, in each case issued for the purpose of providing the primary payment mechanism or credit support in connection with the purchase of any materials, goods or services by the Borrower in the ordinary course of business.

"**Commitment Fee**" shall have the meaning provided in Section 4.1(a).

"**Commitment Fee Rate**" shall mean a rate per annum equal to 0.25%.

"**Commitments**" shall mean, with respect to each Lender (to the extent applicable), such Lender's Revolving Credit Commitment or Incremental Commitment.

"**Commodity Exchange Act**" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Communications**" shall have the meaning provided in Section 13.17(a).

"**Compliance Certificate**" shall mean a certificate of a responsible financial or accounting officer of the Borrower delivered pursuant to Section 9.1(d) for the applicable Test Period.

"**Compliance Period**" shall mean any period beginning on the date that Excess Availability is less than the greater of (a) 10% of the Maximum Borrowing Amount and (b) $~~40,000,000,~~60,000,000, until the date that Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $~~40,000,000~~60,000,000 for twenty (20) consecutive calendar days.

"**Confidential Information**" shall have the meaning provided in Section 13.16.

"**Consolidated Depreciation and Amortization Expense**" shall mean with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, with respect to any Person and its Restricted Subsidiaries on a consolidated basis for any period, the Consolidated Net Income of such Person for such period:

(i) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and foreign withholding taxes of such Person paid or accrued during such period deducted, including any penalties and interest related to such taxes or arising from any tax examinations (and not added back) in computing Consolidated Net Income and any payments to any direct or indirect parent in respect of such taxes, *plus*

(b) Fixed Charges of such Person for such period (including (1) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of Consolidated Interest Expense and any non-cash interest expense, in each case to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income, *plus*

(d) any expenses, fees, charges, or losses (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, Restricted Payment, acquisition, disposition, recapitalization, or the incurrence of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful and including any such transaction consummated prior to the Restatement Effective Date), including (1) such fees, expenses, or charges related to the incurrence of the Term Loans and the Loans hereunder and all Transaction Expenses, (2) such fees, expenses, or charges related to the offering of the Credit Documents and any other credit facilities, and (3) any amendment or other modification of the Term Loans, the Loans hereunder or other Indebtedness, and, in each case, deducted (and not added back) in computing Consolidated Net Income, *plus*

(e) any other non-cash charges, including any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any net income (loss) attributable to non-controlling interests in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of management, monitoring, consulting, and advisory fees (including termination fees) and related indemnities and expenses paid or accrued in such period to the Initial Investors or any of their respective Affiliates, *plus*

(h) costs of surety bonds incurred in such period in connection with financing activities, *plus*

(i) the amount of reasonably identifiable and factually supportable "run-rate" cost savings, operating expense reductions, and other synergies that are projected by the Borrower in good faith to result from actions either taken or expected to be taken within 24 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period), *plus*

(j) the amount of loss or discount on sale of receivables and related assets to the Receivables Subsidiary in connection with a Receivables Facility, *plus*

(k) any costs or expense incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Equity Interests of the Borrower (other than Disqualified Stock), *plus*

(l) the amount of expenses relating to payments made to option, phantom equity or profits interest holders of the Borrower or any of its any direct or indirect subsidiaries or parent companies in connection with, or as a result of, any distribution being made to equity holders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option, phantom equity or profits interest holders as though they were equity holders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement and expenses relating to distributions made to equity holders of such Person or its direct or indirect parent companies resulting from the application of Financial Accounting Standards Codification Topic 718— Compensation – Stock Compensation (formerly Financial Accounting Standards Board Statement No. 123 (Revised 2004)), plus

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Borrower's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(n) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (~~2~~ii) below for any previous period and not added back, *plus*

(o) to the extent not already included in the Consolidated Net Income, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption, *plus*

(p) [reserved],

(q) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits, and any other items of a similar nature, *plus*

(r) [reserved],

(s) the amount of any loss attributable to a new store, distribution center, facility or business until the date that is 24 months after the date of commencement of construction or the date of acquisition or launch thereof, as the case may be; provided that (A) such losses are reasonably identifiable and factually supportable and certified by ~~a responsible officer~~an Authorized Officer of the Borrower, (B) losses attributable to such store, distribution center, facility or business after 24 months from the date of commencement of construction or the date of acquisition of such store, distribution center or facility, as the case may be, shall not be included in this clause (s), and (C) no amounts shall be added pursuant to this clause (s) to the extent duplicative of any expenses or charges relating to such cost savings or revenue enhancements that are included in clause (i) above with respect to such period, and;

(ii) decreased by (without duplication), (a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period other than non-cash gains relating to the application of Financial Accounting Standards Codification Topic 840—*Leases* (formerly Financial Accounting Standards Board Statement No. 13); provided that, to the extent non-cash gains are deducted pursuant to this clause (ii)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, and (b) the amount of membership revenue recognized for such period in excess of the amount of any cash received in such period in respect of membership program fees, *plus*;

(iii) increased or decreased by (without duplication):

(a) any net gain or loss resulting in such period from currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items, plus or minus, as the case may be, and

(b) any net gain or loss resulting in such period from Hedging Obligations, and the application of Financial Accounting Standards Codification Topic 815—Derivatives and Hedging (ASC 815) (formerly Financing Accounting Standards Board Statement No. 133), and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP.

For the avoidance of doubt:

(i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP,

(ii) there shall be included in determining Consolidated EBITDA for any period, without duplication, (1) the Acquired EBITDA of any Person or business, or attributable to any property or asset acquired by the Borrower or any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any assets or property, in each case to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned, or otherwise disposed by the Borrower or such Restricted Subsidiary during such period (each such Person, business, property, or asset acquired and not subsequently so disposed of, an "**Acquired Entity or Business**") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "**Converted Restricted Subsidiary**"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (2) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition); and

(iii) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business, or asset sold, transferred, abandoned, or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business, or asset so sold or disposed of, a "**Sold Entity or Business**"), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "**Converted Unrestricted Subsidiary**") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer, or disposition or conversion); provided that for the avoidance of doubt, notwithstanding any classification under GAAP of any Person or business in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, the Disposed EBITDA of such Person or business shall not be excluded pursuant to this paragraph until such disposition shall have been consummated.

"**Consolidated Interest Expense**" shall mean the sum of (1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income of such Person and its Restricted Subsidiaries with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under hedging agreements, plus (2) non-cash interest expense resulting solely from (x) the net

amortization of original issue discount and original issuance premium from the issuance of Indebtedness of such Person and its Restricted Subsidiaries (excluding any Indebtedness borrowed under the Term Loan Facility or this Agreement in connection with the Transactions), plus (y) pay-in-kind interest expense of such Person and its Restricted Subsidiaries but excluding, for the avoidance of doubt, (a) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest other than referred to in clause (2) above (including as a result of the effects of acquisition method accounting or pushdown accounting), (b) non-cash interest expense attributable to the movement of the mark-to-market valuation of Indebtedness or obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification Topic 815—Derivatives and Hedging, (c) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, (d) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any ~~Permitted~~ Receivables ~~Financing~~Facility , (e) any "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (f) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including, without limitation, any Indebtedness issued in connection with the Transactions, (g) penalties and interest relating to taxes, (h) accretion or accrual of discounted liabilities not constituting Indebtedness, (i) interest expense attributable to a direct or indirect parent entity resulting from push-down accounting, (j) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, and (k) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to the Transactions, any acquisition or Investment permitted hereunder, all as calculated on a consolidated basis.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"**Consolidated Net Income**" shall mean, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and on an after-tax basis to the extent appropriate, and otherwise determined in accordance with GAAP; provided that, without duplication,

(i) extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non-recurring or unusual items), severance, relocation costs, integration and facilities' or bases' opening costs and other business optimization expenses (including related to new product introductions and other strategic or cost savings initiatives), restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, other executive recruiting and retention costs, transition costs, costs related to closure/consolidation of facilities or bases and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments), shall be excluded,

(ii) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period, shall be excluded,

(iii) any gain (loss) (less all fees and expenses relating thereto) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business) or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of), shall be excluded,

(iv) any effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors of the Borrower, shall be excluded,

(v) the Net Income for such period of any Person that is not the Borrower or a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; provided that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period, shall be excluded,

(vi) [reserved],

(vii) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by Financial Accounting Standards Codification Topic 805 – Business Combinations and Topic 350 – Intangibles – Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition that is consummated after the Restatement Effective Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(viii) (a) any effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and to Hedging Obligations pursuant to ASC 815 (or such successor provision), and (c) any non-cash expense, income, or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to GAAP, shall be excluded,

(ix) any impairment charge, asset write-off, or write-down pursuant to ASC 350 and Financial Accounting Standards Codification Topic 360 – Impairment and Disposal of Long-Lived Assets (ASC 360) (formerly Financial Accounting Standards Board Statement No. 144) and the amortization of intangibles arising pursuant to ASC 805 shall be excluded,

(x) (a) any non-cash compensation expense recorded from or in connection with any share-based compensation arrangements including stock appreciation or similar rights, phantom equity, stock options, restricted stock, capital or profits interests or other rights to officers, directors, managers, or employees and (b) non-cash income (loss) attributable to deferred compensation plans or trusts, shall be excluded,

(xi) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Sale, issuance, or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Restatement Effective Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(xii) accruals and reserves (including contingent liabilities) that are established or adjusted within twelve months after the Restatement Effective Date that are so required to be established as a result of the Transactions in accordance with GAAP, or changes as a result of adoption or modification of accounting policies, shall be excluded,

(xiii) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of the determination by the Borrower that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded,

(xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,

(xv) any costs or expenses incurred during such period relating to environmental remediation, litigation, or other disputes in respect of events and exposures that occurred prior to the Restatement Effective Date shall be excluded,

(xvi) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs shall be excluded, and

(xvii) any amounts paid pursuant to clause (15) of Section 10.5(b) other than subclause (E)(ii) thereof that are used to fund payments that, if paid by the Borrower would have reduced Net Income, shall be included to reduce Net Income.

"**Consolidated Total Assets**" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"**Consolidated Total Debt**" shall mean, as at any date of determination, an amount equal to the sum of the aggregate amount of all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); provided that (i) Consolidated Total Debt shall not include Letters of Credit, except to the extent of Unpaid Drawings thereunder and (ii) the amount of any Indebtedness outstanding hereunder on any date shall be deemed to be the average daily amount of such Indebtedness thereunder for the most recent twelve month period ending on such date (and for any period ending prior to the one year anniversary of the Restatement Effective Date, the average daily amount outstanding thereunder during such period).

"**Consolidated Total Debt to Consolidated EBITDA Ratio**" shall mean, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries to (ii) Consolidated EBITDA of the Borrower for the Test Period most recently ended on or prior to such date of determination, in each case with such pro forma adjustments to Consolidated Total Debt and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio".

"**Contingent Obligations**" shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other payment obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Contractual Requirement**" shall have the meaning provided in Section 8.3.

"**Converted Restricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Converted Unrestricted Subsidiary**" shall have the meaning provided in the definition of the term Consolidated EBITDA.

"**Credit Documents**" shall mean this Agreement, Amendment No. 1, each Incremental Facility Amendment, the Guarantees, the Security Documents, and any promissory notes issued by the Borrower pursuant hereto.

"**Credit Event**" shall mean and include the making (but not the conversion or continuation) of a Loan and the issuance of a Letter of Credit.

"**Credit Facilities**" shall mean, collectively, each category of Commitments and each extension of credit hereunder.

"**Credit Facility**" shall mean a category of Commitments and extensions of credit thereunder.

"**Credit Party**" shall mean Holdings, the Borrower and the other Guarantors.

"**Cure Amount**" shall have the meaning provided in Section 11.13.

"**Cure Period"** shall have the meaning provided in Section 11.3.

"**Cure Right**" shall have the meaning provided in Section 11.13.

"**Customs Broker Agreement**" shall mean an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among a Credit Party, a customs broker or other carrier and the Administrative Agent, in which the customs broker or other carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory or other property for the benefit of the Administrative Agent, and agrees, upon notice from the Administrative Agent, to hold and dispose of the subject Inventory and other property solely as directed by the Administrative Agent.

"**DDAs**" shall mean any checking or other demand deposit account maintained by any of the Credit Parties that is a primary concentration account.

"**Default**" shall mean any event, act, or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"**Default Rate**" shall have the meaning provided in Section 2.8(c).

"**Defaulting Lender**" shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of Lender Default.

"**Delaware Intermediate Holdcos**"~~means~~shall mean New Academy Finance Company LLC, a Delaware limited liability company, and New Academy Finance Corporation, a Delaware corporation.

"**Deposit Account**" shall have the meaning provided in the Uniform Commercial Code in the state of New York.

"**Designated Disbursement Account**" shall have the meaning provided in Section ~~9.17~~9.16(d).

"**Designated Non-Cash Consideration**" shall mean the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation, executed by either a senior vice president or the principal financial officer of the Borrower, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 10.4.

"**Designated Preferred Stock**" shall mean preferred stock of the Borrower or any direct or indirect parent company of the Borrower (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an officer's certificate executed by the principal financial officer of the Borrower or parent company thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (iii) of Section 10.5(a).

"**Disposed EBITDA**" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its respective Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary, as the case may be.

"**disposition**" shall have the meaning assigned such term in clause (i) of the definition of "Asset Sale".

"**Distressed Person**" " shall have the meaning provided in the definition of "Lender Related Distress Event".

"**Disqualified Lenders**" shall mean such Persons (i) that have been specified in writing to the Administrative Agent and the Joint Lead Arrangers and Bookrunners prior to the commencement of "primary syndication" as being Disqualified Lenders, (ii) who are competitors of the Borrower and its Subsidiaries that are separately identified in writing by the Borrower to the Administrative Agent from time to time, and (iii) in the case of each of clauses (i) and (ii), any of their Affiliates (other than any such Affiliate that is affiliated with a financial investor in such Person and that is not itself an operating company or otherwise an Affiliate of an operating company so long as such Affiliate is a bona fide Fund) that are either (a) identified in writing by the Borrower to the Administrative Agent from time to time or (b) clearly identifiable solely on the basis of the similarity of such Affiliate's name. Notwithstanding the foregoing, each Credit Party and the Lenders acknowledge and agree that the Administrative Agent shall not have any responsibility or obligation to determine whether any Lender or potential Lender is a Disqualified Lender and the Administrative Agent shall have no liability with respect to any assignment made to a Disqualified Lender.

"**Disqualified Stock**" shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, condemnation event or similar event, in whole or in part, in each case, prior to the date that is 91 days after the Latest Maturity Date hereunder; provided that if such Capital Stock is issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death, or disability.

"**Dollars**" and "**$**" shall mean dollars in lawful currency of the United States.

"**Domestic Subsidiary**" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

" **Eligible Credit Card Receivables**" shall mean, as of any date of determination, Accounts due to a Credit Party from major credit card processors (including, but not limited to, VISA, Mastercard, American Express, Diners Club and DiscoverCard) as arise in the ordinary course of business and which have been earned by performance, that are not excluded as ineligible by virtue of one or more of the criteria set forth below. None of the following shall be deemed to be Eligible Credit Card Receivables:

(a) Accounts due from major credit card processors that have been outstanding for more than five Business Days from the date of sale or for such longer period as may be approved by the Administrative Agent;

(b) Accounts due from major credit card processors with respect to which a Credit Party does not have good, valid and marketable title thereto;

(c) Accounts due from major credit card processors that are not subject to a first priority security interest in favor of the Administrative Agent for its own benefit and the benefit of the other Secured Parties;

(d) Accounts due from major credit card processors which are disputed, or with respect to which a claim, counterclaim, offset or chargeback has been asserted, by the related credit card processor (but only to the extent of such dispute, counterclaim, offset or chargeback) (it being the intent that chargebacks in the ordinary course by the credit card processors shall not be deemed violative of this clause); or

(f) Accounts due from major credit card processors (other than Visa, Mastercard, American Express, Diners Club and Discover) which the Administrative Agent determines in its commercially reasonable discretion acting in good faith to be unlikely to be collected.

"**Eligible In-Transit Inventory**" shall mean, as of any date of determination, without duplication of other Eligible Inventory, Inventory (a) (i) that has been delivered to a carrier in a foreign port or foreign airport for receipt by a Credit Party in the United States within sixty (60) days of the date of determination, but which has not yet been received by a Credit Party or (ii) that has been delivered to a carrier in the United States for receipt by a Credit Party in the United States within five (5) Business Days of the date of determination, but which has not yet been received by a Credit Party, (b) for which the purchase order is in the name of a Credit Party and title has passed to a Credit Party, (c) except as otherwise agreed by the Administrative Agent, for which the document of title or waybill reflects a Credit Party as consignee (along with delivery to a Credit Party or its customs broker of the documents of title, to the extent applicable, with respect thereto), (d) as to which the Administrative Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory (such as by the delivery of a Customs Broker Agreement), (e) that is insured in accordance with the provisions of this Agreement and the other Credit Documents, including, without limitation marine cargo insurance and (f) that otherwise is not excluded from the definition of "Eligible Inventory"; provided that the Administrative Agent may, upon notice to the Borrower, exclude any particular Inventory from the definition of "Eligible In-Transit Inventory" in the event that the Administrative Agent determines that such Inventory is subject to any Person's right or claim which is (or is capable of being) senior to, or *pari passu* with, the Lien of the Administrative Agent, or may otherwise adversely impact the ability of the Administrative Agent to realize upon such Inventory; provided further that, as of any date of determination, the aggregate NOLV Percentage of Eligible In-Transit Inventory and Eligible Letter of Credit Inventory shall not exceed 20% of the Borrowing Base.

"**Eligible Inventory**" shall mean, as of any date of determination, without duplication, (1) Eligible Letter of Credit Inventory and Eligible In-Transit Inventory and (2) Inventory comprised of finished goods, merchantable and readily saleable to the public in the ordinary course, in each case that are not excluded as ineligible by virtue of the one or more of the criteria set forth below. None of the following shall be deemed to be Eligible Inventory:

(a) Inventory that is not solely owned by a Credit Party, or is leased by or is on consignment to a Credit Party, or as to which the Credit Parties do not have title thereto;

(b) Inventory (other than any Eligible Letter of Credit Inventory and Eligible In-Transit Inventory) that is not located in the United States of America (or any territories or possessions thereof);

(c) Inventory (other than any Eligible Letter of Credit Inventory and Eligible In-Transit Inventory) that is not located at a location that is owned or leased by a Credit Party, except to the extent that (i) the Borrower has furnished the Administrative Agent with a landlord's lien waiver and collateral access agreement reasonably acceptable to the Administrative Agent executed by the applicable bailee or (ii) in the event that the Borrower has not furnished the landlord's lien waiver (if applicable) and collateral access agreement contemplated in the foregoing clause (i) after using commercially reasonable efforts to do so, an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion in an amount of up to three months of the rent or other charges due with respect to such bailee;

(d) Inventory that is located at a distribution center, retail store or other location that is leased by a Credit Party, except to the extent that (i) an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion in an amount of up to three months of the rent due with respect to such distribution center, retail store or other location or (ii) the Borrower has furnished the Administrative Agent with a landlord's lien waiver and collateral access agreement on terms reasonably acceptable to the Administrative Agent executed by the Person owning any such distribution center, retail store or other location (it being understood that in any jurisdiction providing for a common law or statutory landlord's lien on the personal property of tenants, which lien would be superior to that of the Administrative Agent, the Borrower will use commercially reasonable efforts to provide such documentation);

(e) Inventory that represents goods that (i) are obsolete, damaged, defective, "seconds," classified by the Credit Parties as salvage or aged Inventory, or otherwise unmerchantable, (ii) are classified by the Credit Parties as awaiting, or are otherwise being held for, quality control inspection, (iii) are to be returned to the vendor, (iv) are work in process or that constitute spare parts or supplies used or consumed in a Credit Parties' business, (v) are bill and hold goods or (vi) are not in compliance in all material respects with all standards imposed by any Governmental Authority having regulatory authority with respect thereto;

(f) except as otherwise agreed by the Administrative Agent, Inventory that represents goods that do not conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Documents;

(g) Inventory that is not subject to a perfected first priority security interest in favor of the Administrative Agent, for its own benefit and the benefit of the other Secured Parties;

(h) Inventory that constitutes packaging and shipping material, manufacturing supplies, display items, bill-and-hold goods, returned or repossessed goods (other than goods that are undamaged and able to be resold in the ordinary course of business), defective goods, unfinished goods, goods held on consignment, goods to be returned to a Credit Party's suppliers or goods which are not of a type held for sale in the ordinary course of business;

(i) Inventory as to which casualty insurance in compliance with the provisions of Section 9.3 is not in effect;

(j) Inventory which has been sold but not yet delivered or Inventory to the extent that any Credit Party has accepted a deposit therefor; or

(k) Inventory acquired in a Permitted Acquisition, unless the Administrative Agent shall have received or conducted (i) appraisals, from appraisers reasonably satisfactory to the Administrative Agent, of such Inventory to be acquired in such Permitted Acquisition and (ii) such other due diligence as the Administrative Agent may reasonably require, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent.

"**Eligible Letter of Credit Inventory**" shall mean, as of any date of determination (without duplication of other Eligible Inventory), Inventory:

(a) (i) that has been delivered to a carrier in a foreign port or foreign airport for receipt by a Credit Party in the United States within sixty (60) days of the date of determination, but that has not yet been received by a Credit Party, or (ii) that has been delivered to a carrier in the United States for receipt by a Credit Party in the United States within five (5) Business Days of the date of determination, but which has not yet been received by a Credit Party;

(b) the purchase order for which is in the name of a Credit Party, title has passed to a Credit Party and the purchase of which is supported by a Commercial Letter of Credit issued under either this Agreement or a Secured Commercial LC Facility having an initial expiry, subject to the proviso hereto, within 120 days after the date of initial issuance of such Commercial Letter of Credit; provided that ninety percent (90%) of the maximum Stated Amount all such Commercial Letters of Credit shall not, at any time, have an initial expiry greater than ninety (90) days after the original date of issuance of such Commercial Letters of Credit;

(c) for which the document of title or waybill reflects a Credit Party as consignee (along with delivery to a Credit Party or its customs broker of the documents of title, to the extent applicable, with respect thereto);

(d) as to which the Administrative Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory (such as by the delivery of a Customs Broker Agreement);

(e) that is insured in accordance with the provisions of this Agreement and the other Credit Documents, including, without limitation marine cargo insurance; and

(f) that otherwise is not excluded from the definition of "Eligible Inventory";

provided that the Administrative Agent may, upon notice to the Borrower, exclude any particular Inventory from the definition of "Eligible Letter of Credit Inventory" in the event that the Administrative Agent determines that such Inventory is subject to any Person's right or claim which is (or is capable of being) senior to, or pari passu with, the Lien of the Administrative Agent, or may otherwise adversely impact the ability of the Administrative Agent to realize upon such Inventory; provided further that, as of any date of determination, the aggregate amount attributable to Eligible In-Transit Inventory and Eligible Letter of Credit Inventory shall not exceed 20% of the Borrowing Base.

"**Environmental Claims**" shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "**Claims**"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence, Release or threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands, flora and fauna.

"**Environmental Law**" shall mean any applicable federal, state, foreign, or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or protection of the environment, including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials.

"**Equity Interest**" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"**Equity Offering**" shall mean any public or private sale of common stock or preferred stock of the Borrower, Holdings or any direct or indirect parent company of Holdings (excluding Disqualified Stock), other than: (i) public offerings with respect to the Borrower or any of its direct or indirect parent company's common stock registered on Form S-8, (ii) issuances to any Subsidiary of Holdings or the Borrower, (iii) any such public or private sale that constitutes an Excluded Contribution and (iv) any Cure Amount.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended ~~from time to time~~, and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code (and applicable regulations under either) or with the terms of such Plan; (ii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iii) any Reportable Event; (iv) the failure of any Credit Party or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (vi) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (vii) the termination of, or the appointment of a trustee to administer, any Pension Plan under Section 4042 of ERISA or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan (other than for PBGC premiums due but not delinquent under Section 4007 of ERISA), including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (viii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice to terminate any Pension Plan under Section 4041 of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (ix) the failure by any Credit Party or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (x) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a "substantial employer (within the meaning of Section 4001(a)(2) of ERISA), or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or the complete or partial withdrawal (within the meaning of Section 4203 or 4205 of ERISA) from any Multiemployer Plan; (xi) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in Reorganization, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA); or (xii) the failure by any Credit Party or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA.

"**Event of Default**" shall have the meaning provided in Section 11.

"**Excess Availability**" shall mean, at any time, the remainder of (a) the sum, without duplication, of (i) the Maximum Borrowing Amount *plus* (ii) Qualified Cash at such time, *minus* (b) the aggregate Revolving Credit Exposures (including the Letter of Credit Exposure) of all Lenders at such time.

"**Excluded Account**" shall have the meaning given such term in Section ~~9.17~~9.16(d).

"**Excluded Contribution**" shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by the Borrower from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower, in each case designated as Excluded Contributions pursuant to an officer's certificate executed by either a senior vice president or the principal financial officer of the Borrower on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, which are excluded from the calculation set forth in clause (iii) of Section 10.5(a); provided that (i) any non-cash assets shall qualify only if acquired by a parent of the Borrower in an arm's-length transaction within the six months prior to such contribution and (ii) no Cure Amount shall constitute an Excluded Contribution.

"**Excluded Property**" shall have the meaning set forth in the Security Agreement.

"**Excluded Stock and Stock Equivalents**" shall mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) solely in the case of any pledge of Capital Stock and Stock Equivalents of any Foreign Subsidiary of a Domestic Subsidiary, any Voting Stock or Stock Equivalents of any class of such Foreign Subsidiary in excess of 66% of the outstanding Voting Stock of such class, (iii) any Capital Stock or Stock Equivalents to the extent the pledge thereof would violate any applicable Requirements of Law (including any legally effective requirement to obtain the consent of any Governmental Authority unless such consent has been obtained), (iv) in the case of (A) any Capital Stock or Stock Equivalents of any Subsidiary to the extent such Capital Stock or Stock Equivalents are subject to a Lien permitted by clause (ix) of the definition of "Permitted Lien" or (B) any Capital Stock or Stock Equivalents of any Subsidiary that is not Wholly-Owned by the Borrower and its Subsidiaries at the time such Subsidiary becomes a Subsidiary, any Capital Stock or Stock Equivalents of each such Subsidiary described in clause (A) or (B) to the extent (I) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (II) any Contractual Requirement prohibits such a pledge without the consent of any other party; provided that this clause (II) shall not apply if (x) such other party is a Credit Party or Wholly-Owned Subsidiary or (y) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (III) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction), (v) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents would result in materially adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower in consultation with the Administrative Agent, (vi) any Capital Stock or Stock Equivalents that are margin stock, and (vii) any Capital Stock and Stock Equivalents of any Subsidiary that is not a Material Subsidiary or is an Unrestricted Subsidiary, a captive insurance Subsidiary, an SPV or any special purpose entity.

"**Excluded Subsidiary**" shall mean (i) each Subsidiary, in each case, for so long as any such Subsidiary does not (on (x) a consolidated basis with its Restricted Subsidiaries, if determined on the Restatement Effective Date by reference to the Historical Financial Statements or (y) a consolidated basis with its Restricted Subsidiaries, if determined after the Restatement Effective Date by reference to the financial statements delivered to the Administrative Agent pursuant to Section 9.1(a) and (b)) constitute a Material Subsidiary, (ii) each Subsidiary that is not a Wholly-Owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 9.11 (for so long as such Subsidiary remains a non-Wholly-Owned Restricted Subsidiary), (iii) any CFC Holding Company, (iv) any Subsidiary of a Foreign Subsidiary that is a CFC, (v) any Foreign Subsidiary, (vi) each Subsidiary that is prohibited by any applicable Contractual Requirement or Requirements of Law from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), (vii) each Subsidiary with respect to which, as reasonably determined by the Borrower, the consequence of providing a Guarantee of the Obligations would adversely affect the ability of the Borrower and its Subsidiaries to satisfy applicable Requirements of Law, (viii) each Subsidiary with respect to which, as reasonably determined by the Borrower in consultation with the Administrative Agent, providing such a Guarantee would result in material adverse tax consequences, (ix) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, as agreed in writing, the cost or other consequences of providing a Guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom (x) each Unrestricted Subsidiary, (xi) any Receivables Subsidiary, (xii) each other Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder and financed with assumed secured Indebtedness permitted hereunder, and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations and such prohibition was not created in contemplation of such Permitted Acquisition or other Investment permitted hereunder and (xiii) each SPV or not-for-profit Subsidiary.

"**Excluded Swap Obligation**" shall mean, with respect to the Borrower or any Subsidiary Credit Party, (a) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Person of, or the grant by such Person of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) or (b) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Guarantor as specified in any agreement between the relevant Persons and Hedge Bank applicable to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) any Taxes imposed on or measured by such recipient's overall net income, net profits, or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local, or foreign law), and franchise (and similar) Taxes imposed on such recipient (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection between such recipient and such jurisdiction (other than any such connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), (ii) any United States federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any Credit Document that is required to be imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in a Loan or Commitment pursuant to laws in force at the time such Lender (a) acquires such interest in the applicable Commitment or, if such Lender did not fund the applicable Loan pursuant to a prior Commitment, on the date on which such Lender acquires its interest in such Loan or (b) designates a new lending office, other than in the case of a Lender that is an assignee pursuant to a request by the Borrower under Section 13.7 (or that designates a new lending office pursuant to a request by the Borrower), except in each case to the extent that amounts with respect to such withholding Tax pursuant were payable pursuant to Section 5.4 either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before such Lender designated a new lending office,(iii) any Taxes attributable to a recipient's failure to comply with Section 5.4(e), or (iv) any withholding Tax imposed under FATCA.

"**Existing ABL Facility**" shall mean that certain Credit Agreement, dated as of August 3, 2011, by and among the Borrower, certain of the Borrower's subsidiaries, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.

"**Existing Debt Facilities**" shall mean the Existing Term Loan Facility, the Existing ABL Facility, the Existing Finco Notes and the Existing Senior Notes.

"**Existing Letters of Credit**" shall mean each letter of credit existing on the Closing Date and identified on Schedule 1.1(c).

"**Existing Finco Notes**" shall mean New Academy Finance Company LLC's and New Academy Finance Corporation's 9.0%/8.75% Notes due 2018 issued pursuant to an Indenture, dated as of December 13, 2012, among New Academy Finance Company LLC, New Academy Finance Corporation and Wells Fargo Bank, N.A.

"**Existing Senior Notes**" shall mean the Borrower's 9.25% Notes due 2019 issued pursuant to an Indenture, dated as of August 3, 2011, among certain affiliates of the Borrower and Wells Fargo Bank, N.A.

"**Existing Term Loan Facility**" shall mean the Credit Agreement, dated as of August 3, 2011, by and among the Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

"**Expiring Credit Commitment**" shall have the meaning provided in Section 2.1(d).

"**Fair Market Value**" shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code (or any amended or successor version described above), and any intergovernmental agreements (or related legislation or official administrative rules or practices) implementing the foregoing.

"**Federal Funds Effective Rate**" shall mean, for any day, the ~~weighted average of the per annum rates on overnight~~rate calculated by the NYFRB based on such day's federal funds transactions ~~with members of the Federal Reserve System arranged by federal funds brokers on such day, as~~by depositary institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the ~~Federal Reserve Bank of New York;~~NYFRB as the effective federal funds rate, provided that ~~(i)~~ if ~~such day is not a Business Day,~~ the Federal Funds Effective Rate ~~for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent~~as so determined would be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

"**Fees**" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"**Financed Capital Expenditures**" shall mean, with respect to any Person and for any period, Capital Expenditures made by such Person during such period that are financed with the proceeds of Indebtedness (other than Revolving Loans) or net cash proceeds of any incurrence or issuance of Indebtedness or any issuance of Equity Interests, provided, in each case such net cash proceeds are received substantially contemporaneously with any such Capital Expenditures.

"**Financial Officer**" means the chief financial officer, principal accounting officer, treasurer, controller or other similar officer of the Borrower.

" **First Lien Intercreditor Agreement**" shall mean an Intercreditor Agreement substantially in the form of Exhibit I-1 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, and the representatives for purposes thereof for holders of one or more classes of First Lien Obligations (other than the Obligations).

"**First Lien Obligations**" shall mean the Obligations that are secured by Liens on the Collateral that rank on an equal priority basis (but without regard to the control of remedies) with Liens on the Collateral securing the Obligations.

"**Fixed Charge Coverage Ratio**" shall mean the ratio of (a) (1) Consolidated EBITDA *minus* (2) cash taxes based on income, profits or capital, including federal, foreign, state, franchise, excise and similar taxes (including in respect of repatriated funds), net of cash refunds received, of the Borrower and its Restricted Subsidiaries paid in cash during such Test Period *minus* (3) Capital Expenditures paid in cash during the applicable Test Period (other than Financed Capital Expenditures) to (b) (1) Consolidated Interest Expense *plus* (2) the aggregate amount of scheduled principal payments in respect of long term Consolidated Total Debt of the Borrower and its Restricted Subsidiaries made during such period (other than payments made by the Borrower or any Restricted Subsidiary to the Borrower or a Restricted Subsidiary), all calculated for such period for the Borrower and its Restricted Subsidiaries on a consolidated basis.

"**Fixed Charges**" shall mean, with respect to any Person for any period, the sum of:

(i) Consolidated Interest Expense of such Person and its Restricted Subsidiaries on a consolidated basis for such period,

(ii) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred stock (including any Designated Preferred Stock) or any Refunding Capital Stock of such Person made during such period, and

(iii) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock made during such period.

"**Flood Insurance Laws**" collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"**Foreign Benefit Arrangement**" shall mean any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan**" shall mean each "employee benefit plan" (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to by any Credit Party or any of its Subsidiaries.

"**Foreign Plan Event**" shall mean, with respect to any Foreign Plan or Foreign Benefit Arrangement, (i) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan or Foreign Benefit Arrangement; (ii) the failure to register or loss of good standing (if applicable) with applicable regulatory authorities of any such Foreign Plan or Foreign Benefit Arrangement required to be registered; or (iii) the failure of any Foreign Plan or Foreign Benefit Arrangement to comply with any provisions of applicable law and regulations or with the terms of such Foreign Plan or Foreign Benefit Arrangement.

"**Foreign Subsidiary**" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fronting Exposure**" shall mean, at any time there is a Defaulting Lender, with respect to the Letter of Credit Issuer, such Defaulting Lender's Revolving Credit Commitment Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"**Fronting Fee**" shall have the meaning provided in Section 4.1(d).

"**Fund**" shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course.

"**GAAP**" shall mean generally accepted accounting principles in the United States, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Furthermore, at any time after the Restatement Effective Date, the Borrower may elect to apply International Financial Reporting Standards ("**IFRS**") accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP and GAAP concepts shall thereafter be construed to refer to IFRS and corresponding IFRS concepts (except as otherwise provided in this Agreement); provided any such election, once made, shall be irrevocable; provided, further, that any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the Borrower's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations.

"**General Intangible**" has the meaning provided in the Security Agreement.

"**Gochman Investors**" shall mean (i) each of David E Gochman and Molly Gochman, (ii) any trust for the direct or indirect benefit of any of the individuals referred to in clause (i) and (iii) any Person more than 50% of the Equity Interests of which is owned or controlled by any of the individuals referred to in clause (i), including MSI 2011 LLC and MG Family Limited Partnership.

"**Governmental Authority**" shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange (including any supranational body exercising such powers or functions, such as the European Union or the European Central Bank).

"**Granting Lender**" shall have the meaning provided in Section 13.6(g).

"**Guarantee**" shall mean (i) the ABL Holdings Guarantee made by Holdings, the Texas Intermediate Holdcos and each other Intermediate Holdco (subject to Section 9.14), substantially in the form of Exhibit B-1, and the Amended and Restated ABL Guarantee made by each other Guarantor, substantially in the form of Exhibit B-2, in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) any other guarantee of the Obligations made by any Subsidiary of Holdings or a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent.

"**guarantee obligations**" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term guarantee obligations shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Restatement Effective Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Guarantors**" shall mean (i) each Subsidiary of the Borrower that is party to the Guarantee on the Restatement Effective Date, (ii) each Subsidiary of Holdings that becomes a party to the Guarantee after the Restatement Effective Date pursuant to Section 9.11, Section 9.14 or otherwise and (iii) Holdings and the Texas Intermediate Holdcos; provided that in no event shall any Excluded Subsidiary be required to be a Guarantor (unless such Subsidiary is no longer an Excluded Subsidiary).

"**Hazardous Materials**" shall mean (i) any petroleum or petroleum products, radioactive materials, friable asbestos, polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics, by any Environmental Law.

"**Hedge Agreements**" shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedge Bank**" shall mean (i) (a) any Person that, at the time it enters into a Hedge Agreement with the Borrower or any Restricted Subsidiary, is a Lender, an Agent or an Affiliate of a Lender or an Agent and (b) with respect to any Hedge Agreement entered into prior to the Restatement Effective Date, any Person that is a Lender or an Agent or an Affiliate of a Lender or an Agent on the Restatement Effective Date and (ii) any other Person that is designated by the Borrower as a "Hedge Bank" by written notice to the Administrative Agent substantially in the form of Exhibit ~~L~~M-1 or such other form reasonably acceptable to the Administrative Agent.

"**Hedge Termination Value**" shall mean, in respect of any one or more Secured Hedge Obligations, after taking into account the effect of any legally enforceable netting agreement relating to such Secured Hedge Obligations, (a) for any date on or after the date such Secured Hedge Obligations have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) or maximum peak exposure value for such Secured Hedge Obligations, as determined based upon customary industry practices.

"**Hedging Obligations**" shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements.

"**Historical Financial Statements**" shall mean the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal years ended February 2, 2013, February 1, 2014 and January 31, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal years of Holdings and its Subsidiaries, including the notes thereto.

"**Holdings**" shall mean (i) New Academy Holding Company, LLC or (ii) after the Restatement Effective Date, any other Person or Persons ("**New Holdings**") that is a Subsidiary of Holdings or of any Parent Entity of Holdings (or the previous New Holdings, as the case may be) but not the Borrower ("**Previous Holdings**"); provided that (a) such New Holdings directly or indirectly through Intermediate Holdcos owns 100% of the Equity Interests of the Borrower, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (c) if reasonably requested by the Administrative Agent, an opinion of counsel shall be delivered by the Borrower to the Administrative Agent to the effect that, without limitation, such substitution does not violate this Agreement or any other Credit Document, (d) all Capital Stock of the Borrower shall be pledged to secure the Obligations ~~and~~, (e) (i) no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default and (f) no Change of Control shall have occurred and (ii) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder); provided, further, that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall be meant to refer to New Holdings.

"**ICC**" shall have the meaning provided in the definition of "UCP".

"**IFRS**" shall have the meaning given to such term in the definition of "GAAP".

~~"**Impacted Loans**" shall have the meaning provided in~~ Section 2.10(a).

"**Incremental Commitment**" shall have the meaning provided in Section 2.14(a).

"**Incremental Facility Amendment**" shall have the meaning provided in Section 2.14(b)(ii).

"**Incremental Lender**" shall mean, at any time, any bank or other financial institution (including any such bank or financial institution that is a Lender at such time) that agrees to provide any portion of any Incremental Commitment pursuant to an Incremental Facility Amendment in accordance with Section 2.14.

"**Incremental Revolving Credit Loan**" shall mean any loan made pursuant to an Incremental Facility Amendment in accordance with Section 2.14.

"**Incremental Revolving Credit Maturity Date**" shall mean the date on which any tranche of Revolving Credit Loans made pursuant to the Lenders' Incremental Commitments matures.

"**incur**" and "**incurrence**" shall have the meaning provided in Section 10.1.

"**Indebtedness**" shall mean, with respect to any Person, (i) any indebtedness (including principal and premium) of such Person, whether or not contingent (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures, or similar instruments or letters of credit or bankers' acceptances (or, without double counting, reimbursement agreements in respect thereof), (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), or (d) representing any Hedging Obligations, if and to the

extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; provided that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of the Borrower solely by reason of push down accounting under GAAP shall be excluded, (ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business, and (iii) to the extent not otherwise included, the obligations of the type referred to in clause (i) of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person; provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business, (2) obligations under or in respect of Receivables Facilities, (3) prepaid or deferred revenue arising in the ordinary course of business, (4) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (5) any balance that constitutes a trade payable or similar obligation to a trade creditor, accrued in the ordinary course of business, (6) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP, (7) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (8) accrued expenses and royalties or (9) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than 60 days. The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith.

For all purposes hereof, the Indebtedness of the Borrower and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business consistent with past practice.

"**Indemnified Liabilities**" shall have the meaning provided in Section 13.5.

"Indemnified Person" shall have the meaning provided in Section 13.5.

"**Indemnified Taxes**" shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes.

"**Initial Investors**" shall mean Kohlberg Kravis Roberts & Co. L.P. and its Affiliates, but not including, however, any portfolio companies of any of the foregoing.

"**Insolvent**" shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is "insolvent" within the meaning of Section 4245 of ERISA.

"**Intellectual Property**" shall mean U.S. intellectual property, including all (i) (a) patents, inventions, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials, labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, Internet domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and (d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisionals, re-issues, re-examinations, or similar legal protections related to the foregoing.

"**Interest Period**" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"**Intermediate Holdcos**" shall mean the Delaware Intermediate Holdcos, the Texas Intermediate Holdcos and any other Subsidiary of Holdings that becomes a party to the Guarantee in the form of Exhibit B-1 after the Restatement Effective Date pursuant to Section 9.11(y).

"Interpolated Rate"means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBOR Screen Rate for the shortest period (for which that LIBOR Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"**Inventory**" shall have the meaning assigned to such term in the Security Agreement.

"**Investment**" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel, and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person and investments that are required by GAAP to be classified on the consolidated balance sheet (excluding the footnotes) of the Borrower in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; provided that Investments shall not include, in the case of the Borrower and the Restricted Subsidiaries, intercompany loans (including guarantees), advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

For purposes of the definition of "Unrestricted Subsidiary" and Section 10.5,

(i) Investments shall include the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Borrower's Investment in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Borrower or a Restricted Subsidiary in respect of such Investment (provided that, with respect to amounts received other than in the form of Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration).

"**Investment Grade Rating**" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other rating agency.

"**Investment Grade Securities**" shall mean:

(i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents),

(ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among a the Borrower and its Subsidiaries,

(iii) investments in any fund that invest at least 90% in investments of the type described in clauses (i) and (ii) which fund may also hold immaterial amounts of cash pending investment or distribution, and

(iv) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"**IPO**" shall mean the initial underwritten public offering (other than a public offering pursuant to a registration statement on Form S-8) of common Equity Interests in Holdings or a parent entity of Holdings.

"**IPO Entity**" shall mean, at any time at and after an IPO, Holdings or a parent entity of Holdings, as the case may be, the Equity Interests of which were issued or otherwise sold pursuant to the IPO.

"**IPO Listco**" shall mean a wholly-owned subsidiary of Holdings formed in contemplation of an IPO to become the IPO Entity. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of any IPO Listco.

"**IPO Reorganization Transactions**" shall mean, collectively, the transactions taken in connection with and reasonably related to consummating an IPO, including (a) formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of Holdings, its Subsidiaries and/or IPO Shell Companies implementing IPO Reorganization Transactions and other reorganization transactions in connection with an IPO and (ii) customary underwriting agreements in connection with an IPO and any future follow-on underwritten public offerings of common Equity Interests in the IPO Entity, including the provision by IPO Entity and Holdings of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in Holdings with the surviving entity in any such merger holding Equity Interests in Holdings, and the merger of such entities with any IPO Shell Company or IPO Subsidiary, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of Holdings in connection with any IPO Reorganization Transactions, (e) an exchange agreement, pursuant to which holders of Equity Interests of Holdings will be permitted to exchange such interests for certain economic/voting Equity Interests in IPO Listco, and (f) any tax receivables agreements by any IPO Shell Company or IPO Subsidiary, in each case of clauses (a) through (f), so long as after giving Pro Forma Effect to such agreement and the transactions contemplated thereby, the security interests of the Lenders in the Collateral and the Guarantees of the Obligations, taken as a whole, would not be materially impaired.

"**IPO Shell Company**" shall mean each of IPO Listco and IPO Subsidiary.

"**IPO Subsidiary**" shall mean a wholly-owned subsidiary of IPO Listco formed in contemplation of, and to facilitate, IPO Reorganization Transactions and an IPO. Holdings shall, promptly following its formation, notify the Administrative Agent of the formation of an IPO Subsidiary.

"**ISP**" shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"**Issuer Documents**" shall mean with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement, and instrument entered into by the Letter of Credit Issuer and the Borrower (or any other Restricted Subsidiary or Holdings) or in favor of the Letter of Credit Issuer and relating to such Letter of Credit.

"**Joint Lead Arrangers and Bookrunners**" shall mean J.P. Morgan Securities LLC, Barclays Bank PLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley Senior Funding, Inc., Regions Capital Markets, U.S. Bank National Association ~~and~~, Wells Fargo Bank N.A. and the Amendment No. 1 Arrangers.

"**Junior Debt**" shall mean any Indebtedness (other than any permitted intercompany Indebtedness owing to the Borrower or any Restricted Subsidiary) in respect of Subordinated Indebtedness.

"**KKR**" shall mean each of Kohlberg Kravis Roberts & Co. L.P. and KKR 2006 Fund L.P.

"**Last Out Tranche**" shall have the meaning provided in Section 2.14(d).

"**Latest Maturity Date**" shall mean, at any date of determination, the latest maturity or expiration date applicable to any Loan hereunder at such time as extended in accordance with this Agreement from time to time.

"**L/C Borrowing**" shall mean an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

"**L/C Facility Maturity Date**" shall mean the date that is five Business Days prior to the Revolving Credit Maturity Date; provided that the L/C Facility Maturity Date may be extended beyond such date with the consent of the applicable Letter of Credit Issuer.

"**L/C Obligations**" shall mean, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unpaid Drawings, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the International Standby Practices (ISP98), such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time.

"**L/C Participant**" shall have the meaning provided in Section 3.3(a).

"**L/C Participation**" shall have the meaning provided in Section 3.3(a).

"**L/C Sublimit**" shall mean up to $100,000,000 aggregate amount of Letters of Credit that may be issued under the Revolving Credit Facility.

"**LCA Election**" shall have the meaning provided in Section 1.12(b).

"**LCA Test Date**" shall have the meaning provided in Section 1.12(b).

"**Lender**" shall have the meaning provided in the preamble to this Agreement.

"**Lender Default**" shall mean (i) the refusal or failure of any Lender to make available its portion of any incurrence of Loans or Reimbursement Obligations, which refusal or failure is not cured within ~~one~~two business ~~day~~days after the date of such refusal or failure, unless such Lender notifies the Administrative Agent in writing that such refusal or failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, (ii) the failure of any Lender to pay over to the Administrative Agent, any Letter of Credit Issuer or any other Lender any other amount required to be paid by it hereunder within ~~one~~two business ~~day~~days of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified, in writing, the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement or the Term Loan Facility, or a Lender has publicly announced that it does not intend to comply with its funding obligations under other loan agreements, credit agreements or similar facilities generally, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent that it will comply with its funding obligations under this Agreement or (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event.

"**Lender Presentation"** shall mean the lender presentation dated June 2, 2015 and presented to the Lenders in connection with the syndication of the Loans under this Agreement.

"**Lender-Related Distress Event**" shall mean, with respect to any Lender or any other Person that directly or indirectly controls such Lender (each, a "**Distressed Person**"), other than via an Undisclosed Administration, a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, or a custodian, conservator, receiver, or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person, or any Person that directly or indirectly controls such Distressed Person or is subject to a forced liquidation or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any governmental authority having regulatory authority over such Distressed Person to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a governmental authority or an instrumentality thereof.

"**Letter of Credit**" shall mean each letter of credit issued pursuant to Section 3.1 and each Existing Letter of Credit.

"**Letter of Credit Commitment**" shall mean, with respect to JPMorgan Chase Bank, N.A. in its capacity as a Letter of Credit Issuer, 100% of the L/C Sublimit, as may be reduced from time to time pursuant to Section 3.1.

"**Letter of Credit Expiration Date**" shall mean the day that is five Business Days prior to the scheduled Maturity Date then in effect for the Revolving Credit Facility.

"**Letter of Credit Exposure**" shall mean, with respect to any Lender, at any time, the sum of (i) the amount of the principal amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a) at such time and (ii) such Lender's Revolving Credit Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a)).

"**Letter of Credit Fee**" shall have the meaning provided in Section 4.1(b).

"**Letter of Credit Issuer**" shall mean (i) JPMorgan Chase Bank, N.A., (ii) any of its Affiliates or branches and (iii) any replacement, additional issuer, or successor pursuant to Section 3.6. In the event that there is more than one Letter of Credit Issuer at any time, references herein and in the other Credit Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires.

"**Letter of Credit Request**" shall mean a notice executed and delivered by the Borrower pursuant to Section 3.2, and substantially in the form of Exhibit ~~M~~L or another form which is acceptable to the Letter of Credit Issuer in its reasonable discretion.

"**Letters of Credit Outstanding**" shall mean, at any time the sum of, without duplication, (i) the aggregate Stated Amount of all outstanding Letters of Credit and (ii) the aggregate amount of the principal amount of all Unpaid Drawings.

"**LIBOR**" shall have the meaning provided in the definition of "LIBOR Rate."

"**LIBOR Loan**" shall mean any Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate.

"**LIBOR Rate**" shall mean,

(i) for any Interest Period with respect to a LIBOR Loan, the rate per annum equal to the offered rate administered by ICE Benchmark Administration ("**LIBOR**") or successor rate, which rate is approved by the Administrative Agent, on the applicable Reuters screen page (or ~~such other commercially available source providing such quotations of LIBOR as designated~~, in the event such rate does not appear

on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent ~~from time to time~~in its reasonable discretion; in each case the "**LIBOR Screen Rate**") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; ~~and~~

(ii) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further, that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Borrower; and

(iii) if the LIBOR Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Lien**" shall mean with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority, or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in, and any filing of, or agreement to, give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease or a license, sub-license or cross-license to Intellectual Property be deemed to constitute a Lien.

"**Limited Condition Acquisition**" shall mean any acquisition by one or more of the Borrower and its Restricted Subsidiaries of any assets, business or Person permitted to be acquired by this Agreement, in each case, whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

"**Loan**" shall mean any Revolving Loan, Swingline Loan or Protective Advance or any other loan or advance made by any Lender pursuant to this Agreement.

"**Mandatory Borrowing**" shall have the meaning provided in Section 2.1(c).

"**Master Agreement**" shall have the meaning provided in the definition of the term "Hedge Agreement."

"**Material Adverse Effect**" shall mean a circumstance or condition affecting the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, that would, individually or in the aggregate, materially adversely affect (i) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their payment obligations under this Agreement or any of the other Credit Documents or (ii) the rights and remedies of the Administrative Agent and the Lenders under the Credit Documents.

"**Material Subsidiary**" shall mean, at any date of determination, each Restricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were equal to or greater than 5.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; provided that if, at any time and from time to time after the Restatement Effective Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Subsidiaries that are Excluded Subsidiaries by virtue of any of clauses (ii) through (xiii) of the definition of "Excluded Subsidiary") have, in the aggregate, (a) total assets at the last day of such Test Period equal to or greater than 10.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period equal to or greater than 10.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period,

in each case determined in accordance with GAAP, then the Borrower shall, on the date on which financial statements for such quarter are delivered pursuant to this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable.

"**Maturity Date**" shall mean the Revolving Credit Maturity Date or any Incremental Revolving Credit Maturity Date, as applicable.

"**Maximum Borrowing Amount**" shall mean the lesser of (a) the aggregate Revolving Credit Commitments at such time and (b) the Borrowing Base.

"**Minimum Borrowing Amount**" shall mean (a) with respect to a Borrowing of LIBOR Loans, $5,000,000 and (b) with respect to a Borrowing of ABR Loans, $1,000,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing).

"**Minimum Collateral Amount**" shall mean, at any time, (i) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 102% of the Fronting Exposure of the Letter of Credit Issuer with respect to Letters of Credit issued and outstanding at such time and (ii) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided in accordance with the provisions of Section 3.8(a)(i), (a)(ii), or (a)(iii), an amount equal to 102% of the outstanding amount of all L/C Obligations.

"**Moody's**" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"**Mortgage**" shall mean a mortgage, deed of trust, deed to secure debt, trust deed, or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property to secure the Obligations, in form and substance reasonably acceptable to the Collateral Agent and the Borrower, together with such terms and provisions as may be required by local laws, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Mortgaged Property**" shall mean, initially, each parcel of real estate and the improvements thereto owned in fee by the Borrower or a Subsidiary Credit Party and identified on Schedule 1.1(a), and each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 9.14.

"**Multiemployer Plan**" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Credit Party or ERISA Affiliate makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions.

"**New Holdings**" shall have the meaning provided in the definition of "Holdings".

"**Net Income**" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"**NOLV Percentage**" shall mean the net orderly liquidation value of Eligible Inventory, expressed as a percentage, expected to be realized at an orderly, negotiated sale held within a reasonable period of time, net of all liquidation expenses, as determined from the most recent appraisal of Inventory of the Credit Parties performed by an appraiser and on terms reasonably satisfactory to the Administrative Agent.

"**Non-Bank Tax Certificate**" shall have the meaning provided in Section 5.4(e)(ii)(B)(3).

"**Non-Consenting Lender**" shall have the meaning provided in Section 13.7(b).

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"**Non-Expiring Credit Commitment**" shall have the meaning provided in Section 2.1(d).

"**Non-Extension Notice Date**" shall have the meaning provided in Section 3.2(d).

"**Non-U.S. Lender**" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"**Notice of Borrowing**" shall have the meaning provided in Section 2.3(a).

"**Notice of Conversion or Continuation**" shall have the meaning provided in Section 2.6(a).

"**Noticed Cash Management Obligations**" shall mean any Secured Cash Management Obligations with respect to which the Borrower and the Secured Party with respect thereto have notified the Administrative Agent of the intent to include such Secured Cash Management Obligations as Noticed Cash Management Obligations hereunder (so long as such designation, and the resulting Secured Cash Management Reserves at the time of designation, would not result in an Overadvance) and with respect to which a Secured Cash Management Reserve has subsequently been established in the amount set forth in such notice; provided that such designation shall be made within ten (10) Business Days of (i) the Restatement Effective Date if such Cash Management Services are in place on the Restatement Effective Date or (ii) the date such Cash Management Services are commenced if not in place on the Restatement Effective Date.

"**Noticed Hedge**" shall mean any Secured Hedge Obligations arising under a Hedge Agreement with respect to which the Borrower and the Secured Party thereof have notified the Administrative Agent of the intent to include such Secured Hedge Obligations as a Noticed Hedge hereunder (so long as such designation, and the resulting Secured Hedge Reserves at the time of designation, would not result in an Overadvance) and with respect to which a Secured Hedge Reserve has subsequently been established in the amount set forth in such notice; provided that such designation shall be made within ten (10) Business Days of (i) the Restatement Effective Date if such Hedge Agreement is in place on the Restatement Effective Date or (ii) the date such Hedge Agreement is entered into if such Hedge Agreement is not in place on the Restatement Effective Date.

"**NYFRB**" shall mean the Federal Reserve Bank of New York.

"**NYFRB Rate**" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" **Obligations**" shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Revolving Credit Commitment, Loan, Letter of Credit, Secured Bank Product Obligations or under any Secured Cash Management Agreement or Secured Hedge Agreement (other than with respect to any Credit Party's obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with the Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document.

"**Other Taxes**" shall mean all present or future stamp, registration, court or documentary Taxes or any other excise, property, intangible, mortgage recording, filing or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include (i) any Taxes that result from an assignment, ("**Assignment Taxes**") to the extent such Assignment Taxes are imposed as a result of a present or former connection between the Lender and the taxing jurisdiction (other than a connection arising solely from having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document), except to the extent that any such action described in this proviso is requested or required by the Borrower pursuant to Section 13.7 or (ii) Excluded Taxes.

"**Overadvance**" shall mean at any time the amount by which the aggregate outstanding Revolving Credit Exposure exceeds the Borrowing Base.

"**Overadvance Condition**" shall mean and is deemed to exist any time the aggregate outstanding Revolving Credit Exposure exceeds the Borrowing Base.

"**Overadvance Loan**" shall mean an ABR Loan made at a time an Overadvance Condition exists or which results in an Overadvance Condition.

"**Overnight Rate**" shall mean, for any day, the ~~greater of (a) the Federal Funds Effective Rate and (b) an overnight rate determined by the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation~~rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"**Parent Entity**" shall mean any Person that is a direct or indirect parent company (which may be organized as, among other things, a partnership), including any managing member, of Holdings and/or the Borrower.

"**Participant**" shall have the meaning provided in Section 13.6(c)(i).

"**Participant Register**" shall have the meaning provided in Section 13.6(c)(ii).

"**Participating Member State**" shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"**Patriot Act**" shall have the meaning provided in Section 13.18.

"**Payment Account**" shall have the meaning provided in Section ~~9.17~~9.16(c).

"**Payment Conditions**" shall mean the following: (a) no Specified Default exists or would arise after giving effect to such transaction, (b) Pro Forma Compliance for the most recently ended Test Period with a Fixed Charge Coverage Ratio ~~of~~equal to or greater than 1.0:1.0 and (c) the Borrower shall have pro forma Excess Availability giving effect to such transaction as of the date of such transaction (and would have had pro forma Excess Availability giving effect to such transaction for each day in the period of 20 calendar days immediately preceding such action) in excess of the greater of 15% (or 12.5% in the case of Restricted Investments and unsecured Indebtedness) of the Maximum Borrowing Amount and $~~60,000,000~~90,000,000 (or $~~50,000,000~~75,000,000 in the case of Restricted Investments and unsecured Indebtedness); provided that the condition set forth in clause (b) shall not be applicable if the Borrower has pro forma Excess Availability giving effect to such transaction as of the date of such transaction (and would have had pro forma Excess Availability giving effect to such transaction for each day in the period of 20 calendar days immediately preceding such action) in excess of the greater of 20% of the Maximum Borrowing Amount (or 17.5% in the case of Restricted Investments and unsecured Indebtedness) and $~~80,000,000~~120,000,000 (or $~~70,000,000~~105,000,000 in the case of Restricted Investments and unsecured Indebtedness).

"**Payment Intangible**" shall have the meaning provided in the Uniform Commercial Code.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Pension Plan**" shall mean any "employee pension benefit plan" (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA, be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Permitted Acquisition**" shall have the meaning provided in clause (iii) of the definition of "Permitted Investments".

"**Permitted Asset Swap**" shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or a Restricted Subsidiary and another Person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 10.4.

"**Permitted Discretion**" shall mean the Administrative Agent's reasonable credit judgment (from the perspective of an asset-based lender) in establishing Reserves, exercised in good faith in accordance with customary business practices for similar asset based lending facilities, based upon its consideration of any factor that it reasonably believes (i) could materially adversely affect the quantity, quality, mix or value of Collateral (including any applicable laws that may inhibit collection of an Eligible Credit Card Receivables), the enforceability or priority of the Administrative Agent's Liens thereon, or the amount that the Administrative Agent, the Revolving Credit Lenders or the Letter of Credit Issuer could receive in liquidation of any Collateral; (ii) that any collateral report or financial information delivered by the Borrower or any Guarantor is incomplete, inaccurate or misleading in any material respect; or (iii) creates an Event of Default. In exercising such judgment, the Administrative Agent may consider any factors that could materially increase the credit risk of lending to the Borrower on the security of the Collateral. Any Reserve established or modified by the Administrative Agent shall have a reasonable relationship to circumstances, conditions, events or contingencies which are the basis for such reserve, as reasonably determined, without duplication, by the Administrative Agent in good faith.

"**Permitted Holders**" shall mean each of (i) the Initial Investors and the Gochman Investors and their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management of the Borrower (or their respective direct or indirect parent or management investment vehicle) who are holders of Equity Interests of Holdings (or its direct or indirect parent company or management investment vehicle) and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, such Initial Investors and the Gochman Investors, their respective Affiliates (other than any portfolio company of an Initial Investor) and members of management, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of Holdings or any other direct or indirect Parent Entity, (ii) any direct or indirect Parent Entity formed not in connection with, or in contemplation of, a transaction (other than the Transactions or IPO Reorganization Transactions) that, assuming such parent was not formed after giving effect thereto, would constitute a Change of Control and (iii) any entity (other than a Parent Entity) through which a Parent Entity described in clause (ii) directly or indirectly holds Equity Interests of Holdings and has no other material operations other than those incidental thereto.

"**Permitted Investments**" shall mean:

(i) any Investment in the Borrower or any Restricted Subsidiary;

(ii) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;

(iii) any Investment by the Borrower or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment (a "**Permitted Acquisition**"), (1) such Person becomes a Restricted Subsidiary or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, or transfer;

(iv) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 10.4 or any other disposition of assets not constituting an Asset Sale;

(v) (a) any Investment existing or contemplated on the Restatement Effective Date and, in each case, listed on Schedule 10.5 and (b) Investments consisting of any modification, replacement, renewal, reinvestment, or extension of any such Investment; provided that the amount of any such Investment is not increased from the amount of such Investment on the Restatement Effective Date except pursuant to the terms of such Investment (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, or replaced Investment) and premium payable by the terms of such Indebtedness thereon and fees and expenses associated therewith as of the Restatement Effective Date;

(vi) any Investment acquired by the Borrower or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of the Borrower of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(vii) Hedging Obligations permitted under clause (j) of Section 10.1 and Cash Management Services;

(viii) any Investment in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (viii) that are at that time outstanding, not to exceed the greater of (a) $135,000,000 and (b) 33% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (viii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (viii) for so long as such Person continues to be a Restricted Subsidiary;

(ix) Investments the payment for which consists of Equity Interests of Holdings or any direct or indirect parent company of Holdings (exclusive of Disqualified Stock); provided that such Equity Interests will not increase the amount available for Restricted Payments under clause (iii) of Section 10.5(a);

(x) guarantees of Indebtedness permitted under Section 10.1;

(xi) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 9.9 (except transactions described in clause (b) of such paragraph);

(xii) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets in the ordinary course of business;

(xiii) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (xiii) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) $155,000,000 and (b) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (xiii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (xiii) for so long as such Person continues to be a Restricted Subsidiary;

(xiv) Investments relating to any Receivables Subsidiary that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect a Receivables Facility or any repurchases in connection therewith;

(xv) advances to, or guarantees of Indebtedness of, employees not in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment;

(xvi) (a) loans and advances to officers, directors, managers, and employees for business-related travel expenses, moving expenses, and other similar expenses, in each case, incurred in the ordinary course of business or consistent with past practices or to fund such Person's purchase of Equity Interests of the Borrower or any direct or indirect parent company thereof and (b) promissory notes received from stockholders of the Borrower, any direct or indirect parent company of the Borrower or any Subsidiary in connection with the exercise of stock options in respect of the Equity Interests of the Borrower, any direct or indirect parent company of the Borrower and the Subsidiaries;

(xvii) Investments consisting of extensions of trade credit in the ordinary course of business;

(xviii) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(xix) non-cash Investments in connection with tax planning and reorganization activities; provided that after giving effect to any such activities, the security interests of the Lenders in the Collateral, taken as a whole, would not be materially impaired;

(xx) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client, franchisee and customer contracts and loans or advances made to, and guarantees with respect to obligations of, franchisees, distributors, suppliers, licensors and licensees in the ordinary course of business;

(xxi) the licensing and contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons, in the ordinary course of business;

(xxii) advances of payroll payments to employees in the ordinary course of business;

(xxiii) contributions to a "rabbi" trust for the benefit of employees, directors, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower; and

(xxiv) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary pursuant to the definition of "Unrestricted Subsidiary".

"**Permitted Liens**" shall mean, with respect to any Person:

(i) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws, or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds, in each case, incurred in the ordinary course of business;

(ii) Liens imposed by law, such as carriers', warehousemen's, materialmen's, repairmen's, and mechanics' Liens, in each case, for sums not yet overdue for a period of more than 60 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(iii) Liens for Taxes, assessments, or other governmental charges not yet overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP or are not required to be paid pursuant to Section 8.11, or for property Taxes on property of the Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such Tax is to such property;

(iv) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(v) minor survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar purposes, or zoning, building codes, or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not, in the aggregate, materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person, taken as a whole;

(vi) Liens securing Indebtedness permitted to be outstanding pursuant to clause (a), (b)(i) (so long as such Liens are subject to the ABL Intercreditor Agreement), (d), (l)(ii), (r), (w) (so long as such Liens are subject to the ABL Intercreditor Agreement), (x) (so long as such Liens are subject to the ABL Intercreditor Agreement) or (y) of Section 10.1; provided that, (a) in the case of clause (d) of Section 10.1, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto) other than the property or equipment being financed or refinanced under such clause (d) of Section 10.1, replacements of such property, equipment or assets, and additions and accessions and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender and (b) in the case of clause (r) of Section 10.1, such Lien may not extend to any assets other than the assets owned by the Restricted Subsidiaries incurring such Indebtedness;

(vii) subject to Section 9.14, other than with respect to Mortgaged Property, Liens existing on the Restatement Effective Date; provided that any Lien securing Indebtedness or other obligations in excess of (a) $5,000,000 individually or (b) $25,000,000 in the aggregate (when taken together with all other Liens securing obligations outstanding in reliance on this clause (b) that are not listed on Schedule 10.2) shall only be permitted if set forth on Schedule 10.2, and, in each case, any modifications, replacements, renewals, or extensions thereof;

(viii) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such Person, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(ix) Liens on property at the time the Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation, or designation; provided, further, however, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such property, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(x) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness of such Restricted Subsidiary or another Restricted Subsidiary that is not a Credit Party, in each case, permitted under Section 10.1;

(xi) Liens securing Hedging Obligations and Cash Management Services so long as the related Indebtedness is, and is permitted hereunder to be, secured by a Lien on the same property securing such Hedging Obligations and Cash Management Services;

(xii) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xiii) leases, subleases, licenses, or sublicenses (including of Intellectual Property) granted to others in the ordinary course of business;

(xiv) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xv) Liens in favor of the Borrower or any other Subsidiary Guarantor;

(xvi) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's or such Restricted Subsidiary's client at which such equipment is located;

(xvii) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;

(xviii) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (vi), (vii), (viii), (ix), (x), and (xv) of this definition of "Permitted Liens"; provided that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1) the outstanding principal amount or, if greater, the committed amount of the Indebtedness described under clauses (vi), (vii), (viii), (ix), (x), and (xv) at the time the original Lien became a Permitted Lien under this Agreement, and (2) an amount necessary to pay any fees and expenses, including premiums and accrued and unpaid interest, related to such refinancing, refunding, extension, renewal, or replacement;

(xix) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(xx) other Liens securing obligations (including Capitalized Lease Obligations) which do not exceed the greater of (a) $205,000,000 and (b) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien; provided that any such Liens shall be either (x) an asset or property that do not constitute ABL Priority Collateral or (y) a Lien ranking junior to the First Lien Obligations (including having the same lien priority as the Term Loan Facility Obligations); provided, further, that at the Borrower's election, (i) [reserved] and (ii) in the case of Liens securing Permitted Other Indebtedness Obligations that have a Lien on the Collateral ranking junior to the Lien securing the Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness that do not constitute First Lien Obligations, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness that do not constitute First Lien Obligations, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (xx);

(xxi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 11.5 or Section 11.10;

(xxii) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xxiii) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (c) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(xxiv) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.1; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xxv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xxvi) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposits or sweep accounts of the Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries, or (c) relating to purchase orders and other agreements entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(xxvii) Liens (a) solely on any cash earnest money deposits made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement or (b) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder;

(xxviii) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xxix) restrictive covenants affecting the use to which real property may be put; provided that the covenants are complied with;

(xxx) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(xxxi) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements, and contract zoning agreements;

(xxxii) Liens arising out of conditional sale, title retention, consignment, or similar arrangements for sale of goods entered into by Holdings or any Restricted Subsidiary in the ordinary course of business;

(xxxiii) Liens arising under the Security Documents;

(xxxiv) Liens on goods purchased in the ordinary course of business, the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries;

(xxxv) (a) Liens on Equity Interests in joint ventures; provided that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (b) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by the Borrower or any Restricted Subsidiary in joint ventures;

(xxxvi) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; provided (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder,

(xxxvii) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirements of Law, and

(xxxviii) to the extent pursuant to a Requirements of Law, Liens on cash or Permitted Investments securing Hedge Agreements in the ordinary course of business.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on, and fees, expenses and other obligations payable with respect to, such Indebtedness.

"**Permitted Other Indebtedness**" shall mean subordinated or senior Indebtedness (which Indebtedness may (i) be unsecured, (ii) [reserved], or (iii) be secured by a Lien ranking junior to the Lien securing the First Lien Obligations (including having the same lien priority as the Term Loan Facility Obligations)), in each case issued or incurred by the Borrower or a Guarantor, (a) the terms of which do not provide for any scheduled repayment, mandatory repayment, or redemption or sinking fund obligations prior to, at the time of incurrence, the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement) (other than, in each case, customary offers or obligations to repurchase upon a change of control, asset sale, or casualty or condemnation event, AHYDO payments and customary acceleration rights after an event of default), (b) the covenants, taken as a whole, are not materially more restrictive to the Borrower and the Restricted Subsidiaries than those herein (taken as a whole) (except for covenants applicable only to the periods after the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement)) (it being understood that, (1) to the extent that any financial maintenance covenant is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such financial maintenance covenant is also added for the benefit of any corresponding Loans remaining outstanding after the issuance or incurrence of such Indebtedness or (2) no consent shall be required by the Administrative Agent or any of the Lenders if any covenants are only applicable after the Latest Term Loan Maturity Date (as defined in the Term Loan Credit Agreement) at the time of such refinancing); provided that a certificate of an Authorized Officer of the Borrower delivered to the Administrative Agent at least five Business Days (or such shorter period as the Administrative Agent may reasonably agree) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless the Administrative Agent notifies the Borrower within two Business Days after receipt of such certificate that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees), (c) of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor and (d) that, if secured, is not secured by a lien any assets of the Borrower or its Subsidiaries other than the Collateral.

"**Permitted Other Indebtedness Documents**" shall mean any document or instrument (including any guarantee, security agreement, or mortgage and which may include any or all of the Credit Documents) issued or executed and delivered with respect to any Permitted Other Indebtedness by the Borrower or any Subsidiary Credit Party.

"**Permitted Other Indebtedness Obligations**" shall mean, if any Permitted Other Indebtedness is issued or incurred, all advances to, and debts, liabilities, obligations, covenants, and duties of, the Borrower or any Credit Party arising under any Permitted Other Indebtedness Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against the Borrower or any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Permitted Other Indebtedness Obligations of the Borrower and/or applicable Credit Parties under the Permitted Other Indebtedness Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Permitted Other Indebtedness Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any such Person under any Permitted Other Indebtedness Document.

"**Permitted Other Indebtedness Secured Parties**" shall mean the holders from time to time of secured Permitted Other Indebtedness Obligations (and any representative on their behalf).

"**Permitted Sale Leaseback**" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Restatement Effective Date; provided that any such Sale Leaseback not between the Borrower and a Restricted Subsidiary is consummated for fair value as determined at the time of consummation in good faith by (i) the Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sale Leasebacks) the aggregate proceeds of which exceed the greater of (a) $165,000,000 and (b) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Sale Leaseback, the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"**Permitted Tax Distributions**" shall mean, collectively distributions by the Borrower, Holdings, Intermediate Holdcos or any parent thereof at the following times and in the following amounts:

(i) on a quarterly basis, an amount equal to the excess of (x) the sum of the following amounts for each equityholder of Holdings: (A) the excess of (1) the estimated cumulative taxable income allocated (or allocable) to such equityholder for the taxable year through the end of such period (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (i)(x)(A) with respect to a prior taxable year multiplied by (B) the Assumed Tax Rate, over (y) distributions previously made pursuant to this clause (i) with respect to the taxable year; and

(ii) at any time after the end of each taxable year (including, for the avoidance of doubt, in any subsequent taxable year), an amount equal to the excess of (x) the sum of the following amounts for each equityholder of Holdings: (A) the excess of (1) the cumulative taxable income allocated (or allocable) to such equityholder for the taxable year (determined, for the avoidance of doubt, taking into account any allocations of items of income, gain, loss and deduction pursuant to Section 704(c) of the Code but without regard to any adjustments pursuant to Section 743 of the Code and assuming the only items of income, gain, loss and deduction arise from the Borrower and its Subsidiaries) over (2) cumulative taxable losses from prior taxable years (arising from the Borrower and its Subsidiaries) allocated (or allocable) to such equityholder to the extent such prior losses are of a character that would permit such losses to be deducted against income or gain of the taxable year and have not previously been taken into account pursuant to this clause (ii)(x)(A), multiplied by (B) the Assumed Tax Rate, over (y) distributions made pursuant to clause (i) of this definition with respect to the taxable year.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust, or other enterprise or any Governmental Authority.

"**Plan**" shall mean, other than any Multiemployer Plan, any employee benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party or, with respect to any such plan that is that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Platform**" shall have the meaning provided in Section 13.17(a).

"**Pledge Agreement**" shall mean the Amended and Restated Pledge Agreement, entered into by the Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

"**Post-Acquisition Period**" shall mean, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the eighth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"**Previous Holdings**" shall have the meaning provided in the definition of "Holdings".

"**primary obligor**" shall have the meaning provided such term in the definition of "Contingent Obligations".

"**Prime Rate**" shall mean the ~~"prime rate" referred to in the definition of "ABR".~~ rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"**Pro Forma Adjustment**" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or Converted Restricted Subsidiary or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, projected by the Borrower in good faith as a result of (i) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (ii) any additional costs incurred during such Post-Acquisition Period, in each case, in connection with the combination of the operations of such Acquired Entity or Business or Converted Restricted Subsidiary with the operations of the Borrower and the Restricted Subsidiaries; provided that (a) at the election of the Borrower, such Pro Forma Adjustment shall not be required to be determined for any Acquired Entity or Business or Converted Restricted Subsidiary to the extent the aggregate consideration paid in connection with such acquisition was less than $10,000,000; and (b) so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that the applicable amount of such cost savings will be realizable during the entirety of such Test Period, or the applicable amount of such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided, further, that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

"**Pro Forma Basis**," "**Pro Forma Compliance**," and "**Pro Forma Effect**" shall mean, with respect to compliance with any test, financial ratio, or covenant hereunder, that (i) to the extent applicable, a Pro Forma Adjustment shall have been made and (ii) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (1) in the case of a sale, transfer, or other disposition of all or substantially all Capital Stock in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Subsidiaries, shall be excluded, and (2) in the case of a Permitted Acquisition or Investment described in the definition of Specified Transaction, shall be included, (b) any retirement of Indebtedness, and (c) any incurrence or assumption of Indebtedness by the Borrower or any of the Restricted Subsidiaries in connection therewith (it being agreed that if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination); provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be

applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to operating expense reductions that are (x)(1) directly attributable to such transaction, (2) expected to have a continuing impact on the Borrower or any of the Restricted Subsidiaries, and (3) factually supportable or (y) otherwise consistent with the definition of Pro Forma Adjustment.

"**Pro Forma Entity**" shall have the meaning provided in the definition of the term "Acquired EBITDA."

"**Prohibited Transaction**" shall have the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code.

"**Projections**" shall have the meaning provided in Section 9.1(c).

"**Protective Advance**" shall have the meaning assigned to such term in Section 2.15.

"**PTE**" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

" **Public Company Costs**" shall mean costs relating to compliance with the provisions of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees.

"**Qualified Accounts**" shall mean (a) prior to the 120th day after the Restatement Effective Date, all Deposit Accounts of Credit Parties that are concentration accounts, custody accounts or investment accounts and (b) on and after the 120th day after the Restatement Effective Date all Deposit Accounts of Credit Parties that are concentration accounts, custody accounts or investment accounts (i) with the Administrative Agent or (ii) with another depositary, subject to a Blocked Account Agreement in favor of the Administrative Agent; provided that the applicable depositary (if not the Administrative Agent) shall provide daily reports to the Administrative Agent setting forth the balances in such accounts (which may relate to the previous Business Day); provided, further, that, in each case, such Qualified Account is not subject to any other Lien other than Liens permitted by Section 10.2, and such Liens do not have priority over the Lien of the Administrative Agent and are junior to the Lien of the Administrative Agent (other than (i) inchoate or other Liens (including tax Liens) arising by operation of law or (ii) Permitted Liens under clause (xxiii) of the definition thereof).

"**Qualified Cash**" shall mean, at any time, the amount of unrestricted cash and Cash Equivalents of the relevant Credit Parties held in Qualified Accounts as such time.

"**Qualified Proceeds**" shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"**Qualified Stock**" of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person.

"**Real Estate**" shall have the meaning provided in Section 9.1(f).

"**Receivables**" shall mean (i) Accounts and (ii) Payment Intangibles evidencing rights to payment for goods sold or leased, or for services rendered.

"**Receivables Facility**" shall mean any of one or more receivables financing facilities (and any guarantee of such financing facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Restricted Subsidiary sells, directly or indirectly,

grants a security interest in or otherwise transfers its accounts receivable to either (i) a Person that is not a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

"**Receivables Fee**" shall mean distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

"**Receivables Subsidiary**" shall mean any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which the Borrower or any Subsidiary makes an Investment and to which the Borrower or any Subsidiary transfers accounts receivables and related assets.

"**Refinancing Indebtedness**" shall have the meaning provided in Section 10.1(m).

"**Refunding Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Register**" shall have the meaning provided in Section 13.6(b)(iv).

"**Regulation D**" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Regulation T**" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Reimbursement Date**" shall have the meaning provided in Section 3.4(a).

"**Reimbursement Obligations**" shall mean the Borrower's obligations to reimburse Unpaid Drawings pursuant to Section 3.4(a).

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by the Borrower or the Restricted Subsidiaries in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"**Related Fund**" shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender.

"**Related Parties**" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"**Release**" shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into or migration through the environment.

"**Removal Effective Date**" shall have the meaning provided in Section 12.9(b).

"**Reorganization**" shall mean, with respect to any Multiemployer Plan, the condition that such plan is in "reorganization" within the meaning of Section 4241 of ERISA.

"**Reportable Event**" shall mean any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to DOL Reg. § 4043.

"**Required Lenders**" shall mean, at any date, (i) Non-Defaulting Lenders having or holding a majority of the Adjusted Total Revolving Credit Commitment at such date or (ii) if the Total Revolving Credit Commitment has been terminated or for the purposes of acceleration pursuant to Section 11, Non-Defaulting Lenders having or holding a majority of the outstanding principal amount of the Loans and Letter of Credit Exposure (excluding the Loans and Letter of Credit Exposure of Defaulting Lenders) in the aggregate at such date; provided, in each case, such Non-Defaulting Lenders representing the Required Lenders under clauses (i) and (ii) of this definition shall be constituted by at least two Non-Defaulting Lenders that are not Affiliated Institutional Lenders.

"**Required Reserve Notice**" shall mean (a) so long as no Event of Default has occurred and is continuing, at least five Business Days' advance notice to the Borrower (or such shorter period as the Borrower may agree), (b) if a Material Adverse Effect under clause (ii) of the definition thereof has occurred or it would be reasonably likely that a Material Adverse Effect under clause (ii) of the definition thereof would occur were such Reserves not changed or established prior to the expiration of any notice period, two Business Days' advance notice to the Borrower and (c) if an Event of Default has occurred and is continuing, one days' advance notice to the Borrower

"**Requirements of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"**Reserves**" shall mean such reserves as the Administrative Agent from time to time determines in its Permitted Discretion, including (a) Bank Product Reserves and (b) reserves of the type described in Section 2.17 hereof.

"**Resignation Effective Date**" shall have the meaning provided in Section 12.9(a).

"**Restatement Effective Date**" shall mean July 2, 2015.

"**Restatement Effective Date Refinancing**" shall mean the repayment, repurchase, redemption, defeasance or other discharge of the Existing Debt Facilities and termination and/or release of any security interests and guarantees in connection therewith (other than as set forth in Section 13.23).

"**Restricted Investment**" shall mean an Investment other than a Permitted Investment.

"**Restricted Payment**" shall have the meaning provided in Section 10.5(a).

"**Restricted Subsidiary**" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"**Retired Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Revolving Credit Commitment**" shall mean, as to each Revolving Credit Lender, its obligation to make Revolving Credit Loans to the Borrower pursuant to Section 2.1(a), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth, and opposite such Lender's name on Schedule 1.1(b) under the caption Revolving Credit Commitment or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this

Agreement (including Section 2.14). The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be $~~650,000,000~~1,000,000,000 on the ~~Restatement~~Amendment No. 1 Effective Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"**Revolving Credit Commitment Percentage**" shall mean at any time, for each Lender, the percentage obtained by dividing (i) such Lender's Revolving Credit Commitment at such time by (ii) the amount of the Total Revolving Credit Commitment at such time; provided that at any time when the Total Revolving Credit Commitment shall have been terminated, each Lender's Revolving Credit Commitment Percentage shall be the percentage obtained by dividing (a) such Lender's Revolving Credit Exposure at such time by (b) the Revolving Credit Exposure of all Lenders at such time.

"**Revolving Credit Exposure**" shall mean, with respect to any Lender at any time, the sum of (i) the aggregate principal amount of Revolving Credit Loans of such Lender then outstanding, (ii) such Lender's Letter of Credit Exposure at such time, and (iii) such Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of all outstanding Swingline Loans and Protective Advances at such time.

"**Revolving Credit Facility**" shall mean, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

"**Revolving Credit Lender**" shall mean, at any time, any Lender that has a Revolving Credit Commitment or an Incremental Commitment at such time.

"**Revolving Credit Loan**" shall have the meaning provided in Section 2.1(a).

"**Revolving Credit Maturity Date**" shall mean ~~July 2, 2020~~May 22, 2023 or, if such date is not a Business Day, the immediately preceding Business Day; provided, that if any portion of the Term Loan Facility remains outstanding on the date that is 91 days prior to the maturity date of the Term Loan Facility (such date, the "***Springing Maturity Date***"), then the Revolving Credit Maturity Date shall be the Springing Maturity Date, unless all remaining obligations under the Term Loan Facility have been refinanced as of such date with Refinancing Indebtedness maturing no earlier than 91 days after the Revolving Credit Maturity Date (or 91 days after such later date to which the Revolving Credit Maturity Date of all Loans and Commitments have then been extended).

"**Revolving Credit Termination Date**" shall mean the date on which the Revolving Credit Commitments shall have terminated, no Revolving Credit Loans or Swingline Loans shall be outstanding and the Letters of Credit Outstanding shall have been reduced to zero or Cash Collateralized.

"**Revolving Loan**" shall mean, collectively or individually as the context may require, any Revolving Credit Loan or Incremental Revolving Credit Loan, in each case made pursuant to and in accordance with the terms and conditions of this Agreement.

"**S&P**" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"**Sale Leaseback**" shall mean any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing.

"**Sanctions**"~~means~~shall mean all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"**SEC**" shall mean the Securities and Exchange Commission or any successor thereto.

"**Second Lien Intercreditor Agreement**" shall mean a First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit I-2 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent and the representatives for purposes thereof of any other Permitted Other Indebtedness Secured Parties that are holders of Permitted Other Indebtedness Obligations having a Lien on the Collateral ranking junior to the Lien securing the Obligations.

"**Section 9.1 Financials**" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

"**Secured Bank Product Obligations**" shall mean Bank Product Debt owing to a Secured Bank Product Provider, in the amount (in the case of any Secured Bank Product Provider other than JPMorgan Chase Bank, N.A. and its Affiliates) specified by such provider in writing to the Administrative Agent, which amount may be established or increased (by further written notice to the Administrative Agent from time to time) as long as no Default or Event of Default exists and establishment of a Bank Product Reserve for such amount and all other Secured Bank Product Obligations would not result in the aggregate Revolving Credit Exposures exceeding the Maximum Borrowing Amount.

"**Secured Bank Product Provider**" shall mean (a) JPMorgan Chase Bank, N.A. or any of its Affiliates; and (b) any Secured Party that is providing a Bank Product, provided that the provider described in this clause (b) delivers written notice that has been consented to in writing by the Borrower to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, by the later of 10 Business Days following the Restatement Effective Date or 10 Business Days following creation of the Bank Product if such Bank Product is not in place on the Restatement Effective Date, (i) describing the Bank Product and setting forth the amount to be secured by the Collateral and the methodology to be used in calculating such amount, and (ii) agreeing to be bound by Section 11.12 or Section 12 hereof, as provided in Section 12.14.

"**Secured Cash Management Agreement**" shall mean any Cash Management Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder.

"**Secured Cash Management Obligations**" shall mean Obligations under Secured Cash Management Agreements.

"**Secured Cash Management Reserves**" shall mean Obligations in respect of any Secured Cash Management Obligation in the amount specified by the applicable Secured Party and the Borrower in writing to the Administrative Agent under the definition of "Noticed Cash Management Obligations", which amount may, subject to the restrictions set forth in the definition of "Noticed Cash Management Obligations" be increased with respect to any existing Secured Cash Management Obligation at any time by further written notice from such Secured Party and the Borrower to the Administrative Agent.

"**Secured Commercial LC Facility**" shall mean any Commercial Letter of Credit facility that is entered into by and between the Borrower or any Restricted Subsidiary and a financial institution engaged in the business of issuing Commercial Letters of Credit to the extent that such Commercial Letter of Credit facility is designated in writing by the Borrower and such financial institution to the Administrative Agent as a Secured Commercial LC Facility; provided that the Borrower shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any Lien upon any of its property or assets (other than the Lien on the Collateral in favor of the Administrative Agent for the benefit of the Secured Parties) for the benefit of any Secured Commercial LC Facility; provided, further, that any Commercial Letter of Credit issued pursuant to a Secured Commercial LC Facility shall be deemed issued pursuant to such facility and may not be considered a Letter of Credit for the purposes of this Agreement, including, without limitation, Sections 3.1 and 11.12.

"**Secured Hedge Agreement**" shall mean any Hedge Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a "Secured Hedge Agreement" hereunder. For purposes of the preceding sentence, the Borrower may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as "Secured Hedge Agreements". Notwithstanding anything to the contrary, a Hedge Agreement with a Restricted Subsidiary shall remain a Secured Hedge Agreement notwithstanding that such Restricted Subsidiary is subsequently designated an Unrestricted Subsidiary, unless otherwise agreed between such Restricted Subsidiary and Hedge Bank.

"**Secured Hedge Obligations**" shall mean Obligations under Secured Hedge Agreements.

"**Secured Hedge Reserves**" shall mean Obligations in respect of any Secured Hedge Obligation in the amount specified by the applicable Secured Party and the Borrower in writing to the Administrative Agent under the definition of "Noticed Hedges" (but not to exceed the Hedge Termination Value), which amount may, subject to the restrictions set forth in the definition of "Noticed Hedges" and herein, be increased (provided no such increase shall become effective if following such increase and the resulting increased Bank Product Reserve, no Overadvance would exist) with respect to any existing Secured Hedge Obligation at any time by further written notice from such Secured Party and the Borrower to the Administrative Agent.

"**Secured Parties**" shall mean the Administrative Agent, the Collateral Agent, the Letter of Credit Issuers and each Lender in each case with respect to the Credit Facilities, each Secured Bank Product Provider that is providing a Bank Product to Holdings or any Restricted Subsidiary, each Hedge Bank that is party to any Secured Hedge Agreement with Borrower or any Restricted Subsidiary, each Cash Management Bank that is party to a Secured Cash Management Agreement with the Borrower or any Restricted Subsidiary and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Collateral Agent with respect to matters relating to any Security Document.

"**Security Agreement**" shall mean the Amended and Restated Security Agreement entered into by the Borrower, the other grantors party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Security Documents**" shall mean, collectively, the Pledge Agreement, the Security Agreement, the Mortgages, the ABL Intercreditor Agreement, if executed, the First Lien Intercreditor Agreement, if executed, the First Lien/Second Lien Intercreditor Agreement and each other security agreement or other instrument or document executed and delivered pursuant to Sections 9.11, 9.12 or 9.14 or pursuant to any other Security Documents (including intellectual property security agreements) to secure the Obligations or to govern the lien priorities of the holders of Liens on the Collateral.

"**Significant Subsidiary**" shall mean, at any date of determination, (a) any Restricted Subsidiary whose gross revenues (when combined with the gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, determined in accordance with GAAP or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary's total gross revenues (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) are aggregated with each other Restricted Subsidiary (when combined with the total gross revenues of such Restricted Subsidiary's Subsidiaries after eliminating intercompany obligations) that is the subject of an Event of Default described in Section 11.5 would constitute a "Significant Subsidiary" under clause (a) above.

"**Similar Business**" shall mean any business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries on the Restatement Effective Date or any business that is similar, reasonably related, synergistic, incidental, or ancillary thereto.

"**Sold Entity or Business**" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"**Solvent**" shall mean, after giving effect to the consummation of the Transactions, (i) the sum of the liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis, does not exceed the present fair saleable value of the present assets of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (ii) the fair value of the property of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities (including contingent liabilities) of the Borrower and its Restricted Subsidiaries, on a consolidated basis; (iii) the capital of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is not unreasonably small in relation to their business as contemplated on the date hereof; and (iv) the Borrower and its Restricted Subsidiaries, on a consolidated basis, have not incurred and do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debts as they become due (whether at maturity or otherwise).

"**Special Dividend**" shall mean a special one-time dividend within five Business Days of the Restatement Effective Date in an amount not to exceed $200,000,000 to be paid by Borrower, directly or indirectly, to Holdings and by Holdings to its equity holders.

"**Specified Default**" shall mean any Event of Default pursuant to Section 11.1, 11.2 (with respect to representations in any Borrowing Base Certificate only), 11.3(a) (with respect to Section ~~9.17~~9.16 or 10.7 only), 11.3(b) (with respect to Section 9.1(h) only) or 11.5.

"**Specified Transaction**" shall mean, with respect to any period, any Investment (including a Permitted Acquisition), any asset sale, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, Incremental Commitment or other event or action that in each case by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis.

"**Sponsor**" shall mean any of KKR and its Affiliates but excluding portfolio companies of any of the foregoing.

"**Sponsor Management Agreement**" shall mean the management agreement between certain of the management companies associated with the Initial Investors and the Borrower, as in effect on August 3, 2011 and as may be amended, modified, supplemented, restated, replaced or substituted so long as such amendment, modification, supplement, restatement, replacement or substitution is not, when taken as a whole, materially disadvantageous to the Lenders compared to the management agreement in effect on August 3, 2011.

"**Spot Rate**" for any currency shall mean the rate determined by the Administrative Agent to be the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if it does not have as of the date of determination a spot buying rate for any such currency.

"**SPV**" shall have the meaning provided in Section 13.6(g).

"**Stated Amount**" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met; provided, however, that with respect to any Letter of Credit that by its terms or the terms of any Issuer Document provides for one or more automatic increases in the stated amount thereof, the Stated Amount shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

"**Statutory Reserves**" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject to Eurocurrency Liabilities (as defined in Regulation D of the Board). LIBOR ~~Rate~~ Loans shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"**Stock Equivalents**" shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable.

"**Subject Lien**" shall have the meaning provided in Section 10.2(a).

"**Subordinated Indebtedness**" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower or such Guarantor, as applicable, under this Agreement or the Guarantee, as applicable.

"**Subsidiary**" of any Person shall mean and include (i) any corporation more than 50% of whose Capital Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Capital Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, or (ii) any limited liability company, partnership, association, joint venture, or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Borrower.

"**Successor Borrower**" shall have the meaning provided in Section 10.3(a).

"**Super Majority Lenders**" shall mean, at any time, Lenders having Revolving Credit Exposures and unused Commitments (other than Swingline Commitments) representing more than 66.7% of the aggregate Revolving Credit Exposures and unused Commitments (other than Swingline Commitments) at such time; provided that whenever there are one or more Defaulting Lenders, the total outstanding Revolving Credit Exposures of, and the unused Revolving Credit Commitments of, each Defaulting Lender shall in each case be excluded for purposes of making a determination of Super Majority Lenders; provided further that, such Super Majority Lenders shall be constituted by at least two Lenders that are not Affiliated Institutional Lenders.

"**Swap Obligation**" shall mean, with respect to the Borrower or any Subsidiary Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of Section 1(a)(47) of the Commodity Exchange Act.

"**Swingline Commitment**" shall mean $65,000,000. The Swingline Commitment is part of and not in addition to the Revolving Credit Commitment.

"**Swingline Exposure**" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Credit Lender at any time shall equal its Revolving Credit Commitment Percentage of the aggregate Swingline Exposure at such time.

"**Swingline Lender**" shall mean JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder or any replacement or successor thereto.

"**Swingline Loans**" shall have the meaning provided in Section 2.1(b).

"**Swingline Maturity Date**" shall mean, with respect to any Swingline Loan, the Revolving Credit Maturity Date.

"**Taxes**" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing.

"**Term Loan Administrative Agent**" shall have the meaning assigned to the term "Administrative Agent" in the Term Loan Credit Agreement.

"**Term Loan Credit Agreement**" shall mean the Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, the lenders party thereto and the Term Loan Administrative Agent.

"**Term Loan Credit Documents**" shall mean the Term Loan Credit Agreement and each other document executed in connection therewith or pursuant thereto.

"**Term Loan Facility**" shall have the meaning provided in the recitals to this Agreement.

"**Term Loans**" shall have the meaning provided to the term "Loans" in the Term Loan Credit Agreement and any modification, replacement, refinancing, refunding, renewal, or extension thereof.

"**Test Period**" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower's most recently ended on or prior to such date of determination and for which Section 9.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 9.1 Financials, the most recent period of four fiscal quarters at the end of which financial statements are available).

"**Texas Intermediate Holdcos**"~~means~~shall mean Associated Investors LLC, a Texas limited liability company, and Academy Managing Co., LLC, a Texas limited liability company.

"**Total Credit Exposure**" shall mean, at any date, the Total Revolving Credit Commitment at such date (or, if the Total Revolving Credit Commitment shall have terminated on such date, the aggregate Revolving Credit Exposure of all Lenders at such date).

"**Total Revolving Credit Commitment**" shall mean the sum of the Revolving Credit Commitments of all the Lenders.

"**Transaction Expenses**" shall mean any fees, costs, or expenses incurred or paid by the Borrower, or any of their respective Affiliates in connection with the Transactions, this Agreement, and the other Credit Documents, and the transactions contemplated hereby and thereby.

"**Transactions**" shall mean, collectively, the transactions contemplated by this Agreement, the Term Loan Credit Agreement, the Restatement Effective Date Refinancing, the payment of the Special Dividend and the consummation of any other transactions in connection with the foregoing (including the payment of the fees and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

"**Transferee**" shall have the meaning provided in Section 13.6(e).

"**Type**" shall mean as to any Revolving Loan, its nature as an ABR Loan or a LIBOR Loan.

"**UCP**" shall mean, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("**ICC**") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"**Uncontrolled Cash**" shall mean all amounts from time to time on deposit in any Designated Disbursement Account.

"**Undisclosed Administration**" shall mean in relation to a Lender or its parent company the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

"**Uniform Commercial Code**" or "**UCC**"~~means~~shall mean the Uniform Commercial Code as in effect from time and time in the State of New York or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

"**Unpaid Drawing**" shall have the meaning provided in Section 3.4(a).

"**Unrestricted Subsidiary**" shall mean (i) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the board of directors of the Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary.

The board of directors of the Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary, unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary of the Borrower (other than any Subsidiary of the Subsidiary to be so designated or an Unrestricted Subsidiary); provided that:

(a) such designation complies with Section 10.5;

(b) each of (1) the Subsidiary to be so designated and (2) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee, or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Borrower or any Restricted Subsidiary, and

(c) immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

The board of directors of the Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing.

Any such designation by the board of directors of the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the Board Resolution giving effect to such designation and a certificate of an Authorized Officer of the Borrower certifying that such designation complied with the foregoing provisions.

"**U.S.**" and "**United States**" shall mean the United States of America.

"**Voting Stock**" shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors or managers (or similar governing authority) of such Person.

"**Weekly Borrowing Base Certificate**" shall mean a certificate, signed and certified as accurate and complete by the Chief Executive Officer, President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower, in substantially the form of Exhibit N or another form which is acceptable to the Administrative Agent in its reasonable discretion (it being agreed that each Weekly Borrowing Base Certificate will be based on the most recently delivered Borrowing Base Certificate delivered on a monthly basis updated to reflect changes in the aggregate value of Receivables of the relevant Credit Parties but with ineligibility and reserve related items reflecting those set forth in such most recent Borrowing Base Certificate).

"**Weekly Reporting Period**" shall mean any period (a) beginning on the date that Excess Availability is less than the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $~~40,000,000~~60,000,000 for five consecutive Business Days, until such time as Excess Availability has been at least the greater of (i) 10% of the Maximum Borrowing Amount and (ii) $~~40,000,000~~60,000,000 for at least 20 consecutive calendar days, or (b) during which a Specified Default has occurred and is continuing.

"**Wholly-Owned Restricted Subsidiary**" of any Person shall mean a Restricted Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Wholly-Owned Subsidiary**" of any Person shall mean a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Withdrawal Liability**" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"**Withholding Agent**" shall mean any Credit Party, the Administrative Agent and any other applicable withholding agent.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof", and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(i) All references to "knowledge" or "awareness" of any Credit Party or any Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of such Credit Party or such Restricted Subsidiary.

1.3 Accounting Terms.

(a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a consistent manner.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

(c) Where reference is made to "the Borrower and the Restricted Subsidiaries on a consolidated basis" or similar language, such combination shall not include any Subsidiaries of the Borrower other than Restricted Subsidiaries.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases are permitted by any Credit Document; and (b) references to any Requirements of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirements of Law.

1.6 Exchange Rates. Notwithstanding the foregoing, for purposes of any determination under Section 9, Section 10 or Section 11 or any determination under any other provision of this Agreement expressly requiring the use of a current exchange rate, all amounts incurred, outstanding, or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Spot Rate; provided, however, that for purposes of determining compliance with Section 10 with respect to the amount of any Indebtedness, Restricted Investment, Lien, Asset Sale, or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness, Lien or Restricted Investment is incurred or Asset Sale or Restricted Payment is made; provided that, for the avoidance of doubt, the foregoing provisions of this Section 1.6 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness, Lien, or Investment may be incurred or Asset Sale or Restricted Payment made at any time under such Sections. For purposes of any determination of Consolidated Total Debt, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered Section 9.1 Financials.

1.7 Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission, or any other matter related to the rates in the definition of LIBOR Rate or with respect to any comparable or successor rate thereto.

1.8 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.9 Timing of Payment or Performance. Except as otherwise provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

1.10 Certifications. All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

1.11 Compliance with Certain Sections. In the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), disposition, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment of Indebtedness meets the criteria of one or more than one of the categories of transactions then permitted pursuant to any clause or subsection of Section 9.9 or any clause or subsection of Sections 10.1, 10.2, 10.3, 10.4, 10.5 or 10.6, then such transaction (or portion thereof) at any time shall be allocated to one or more of such clauses or subsections within the relevant sections as determined by the Borrower in its sole discretion at such time.

1.12 Pro Forma and Other Calculations.

(a) For purposes of calculating the Fixed Charge Coverage Ratio and Consolidated Total Debt to Consolidated EBITDA Ratio, Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (as determined in accordance with GAAP) that have been made by the Borrower or any Restricted Subsidiary during the Test Period or subsequent to such Test Period and on or prior to or simultaneously with the date of determination shall be calculated on a Pro Forma Basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations, and disposed operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Test Period. If, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, merger, consolidation, or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio and Consolidated Total Debt to Consolidated EBITDA Ratio shall be calculated giving Pro Forma Effect thereto for such Test Period as if such Investment, acquisition, disposition, merger, consolidation, or disposed operation had occurred at the beginning of the Test Period.

(b) Whenever Pro Forma Effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower (and may include, for the avoidance of doubt and without duplication, cost savings, and operating expense reductions resulting from such Investment, acquisition, merger, or consolidation which is being given Pro Forma Effect that have been or are expected to be realized; provided that such costs savings and operating expense reductions are made in compliance with the definition of Pro Forma Adjustment). If any Indebtedness bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account for such entire period, any Hedging Obligation applicable to such Indebtedness with a remaining term of 12 months or longer, and in the case of any Hedging Obligation applicable to such Indebtedness with a remaining term of less than 12 months, taking into account such Hedging Obligation to the extent of its remaining term). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a Pro Forma Basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period (or, if lower, the greater of (i) maximum commitments under such revolving credit facilities as of the date of determination and (ii) the aggregate principal amount of loans outstanding under such a revolving credit facilities on such date). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

In connection with any action being taken solely in connection with a Limited Condition Acquisition, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of the Consolidated Total Debt to Consolidated EBITDA Ratio or the Fixed Charge Coverage Ratio;

(ii) determining the accuracy of representations and warranties in Section 8 and/or whether a Default or Event of Default shall have occurred and be continuing under Section 11; or

(iii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets and the Payment Conditions baskets (including the Fixed Charge Coverage Ratio as set forth therein));

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "**LCA Election**"), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "**LCA Test Date**") (provided that the Borrower shall be required to make an LCA Election on or prior to the date on which the definitive agreements for such Limited Condition Acquisition have been entered into), and if, after giving Pro Forma Effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent Test Period ending prior to the LCA Test Date (after giving effect to any increases or decrease in Indebtedness of the Borrower and Restricted Subsidiaries since such date), the Borrower could have taken such action on the relevant LCA Test Date in compliance with such ratio, representation, warranty, default, Event of Default or basket, such ratio, representation, warranty, default, Event of Default or basket shall be deemed to have been complied with for purposes of such Limited Condition Acquisition. For the avoidance of doubt, if the Borrower has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of the Borrower or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratios, representations, warranties, defaults, Events of Default or basket availability with respect to the incurrence of Indebtedness or Liens, or the making of Restricted Payments, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratios, representations, warranties, defaults, Events of Default or basket availability shall be calculated on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

(c) Notwithstanding anything to the contrary in this Section 1.12 or in any classification under GAAP of any Person, business, assets or operations in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, no Pro Forma Effect shall be given to any discontinued operations (and the EBITDA attributable to any such Person, business, assets or operations shall not be excluded for any purposes hereunder) until such disposition shall have been consummated.

(d) Any determination of Consolidated Total Assets shall be made by reference to the last day of the Test Period most recently ended on or prior to the relevant date of determination.

(e) Except as otherwise specifically provided herein, all computations of Consolidated Total Assets, Available Amount, Consolidated Total Debt to Consolidated EBITDA Ratio, the Fixed Charge Coverage Ratio and other financial ratios and financial calculations (and all definitions (including accounting terms) used in determining any of the foregoing) and all computations and all definitions (including accounting terms) used in determining compliance with Section 10.7 shall be calculated, in each case, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis.

(f) All leases of any Person that are or would be characterized as operating leases in accordance with GAAP immediately prior to the Closing Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of this Agreement regardless of any change in GAAP following the date that would otherwise require such leases to be recharacterized as Capital Leases.

Section 2. Amount and Terms of Credit.

2.1 Commitments.

(a) Subject to and upon the terms and conditions herein set forth each Revolving Credit Lender severally agrees to make Revolving Credit Loans denominated in Dollars to the Borrower from its applicable lending office (each, a "**Revolving Credit Loan**") in an aggregate principal amount that shall not, after giving effect thereto and to the application of the proceeds thereof, result in (i) such Revolving Credit Lender's Revolving Credit Exposure exceeding such Revolving Credit Lender's Revolving Credit Commitment and (ii) the aggregate Revolving Credit Exposures exceeding the Maximum Borrowing Amount (subject to the Administrative Agent's authority, in its sole discretion, to make Protective Advances and Overadvances pursuant to the terms of Section 2.15), provided that any of the foregoing such Revolving Credit Loans (A) shall be made at any time and from time to time on and after the Restatement Effective Date and prior to the Revolving Credit Maturity Date, (B) may, at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans that are Revolving Credit Loans; provided that all Revolving Credit Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Credit Loans of the same Type, (C) may be repaid (without premium or penalty) and reborrowed in accordance with the provisions hereof, (D) shall not, for any Lender at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Revolving Credit Lender's Revolving Credit Exposure in respect of any Class of Revolving Loans at such time exceeding such Revolving Credit Lender's Revolving Credit Commitment in respect of such Class of Revolving Loan at such time and (E) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures at such time exceeding the Total Revolving Credit Commitment then in effect or the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures of any Class of Revolving Loans at such time exceeding the aggregate Revolving Credit Commitment with respect to such Class.

(b) Subject to and upon the terms and conditions herein set forth, the Swingline Lender is authorized by the Lenders to, and may, in its sole discretion, at any time and from time to time on and after the Restatement Effective Date and prior to the Swingline Maturity Date, make a loan or loans (each, a "**Swingline Loan**" and, collectively the "**Swingline Loans**") to the Borrower (provided that the Swingline Lender shall not be obligated to make any Swingline Loan), which Swingline Loans (i) shall be ABR Loans, (ii) shall have the benefit of the provisions of Section 2.1(c), (iii) shall not exceed at any time outstanding the Swingline Commitment, (iv) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Revolving Credit Lenders' Revolving Credit Exposures at such time exceeding the Maximum Borrowing Amount at such time and (v) may be repaid and reborrowed in accordance with the provisions hereof. On the Swingline Maturity Date, all Swingline Loans shall be repaid in full. The Swingline Lender shall not make any Swingline Loan after receiving a written notice from Holdings, the Borrower, the Administrative Agent or the Required Lenders stating that a Default or Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice of (i) rescission of all such notices from the party or parties originally delivering such notice or (ii) the waiver of such Default or Event of Default in accordance with the provisions of Section 13.1.

(c) On any Business Day, the Swingline Lender may, in its sole discretion, give notice to each Revolving Credit Lender that all then outstanding Swingline Loans shall be funded with a Borrowing of Revolving Credit Loans (provided that, if no such notice is given by the Swingline Lender within seven days of making any Swingline Loan, notice to each Revolving Credit Lender shall be deemed to be provided by the Swingline Lender in accordance with this Section 2.1(c)), in which case Revolving Credit Loans constituting ABR Loans shall be made on the immediately succeeding Business Day (each such Borrowing, a "**Mandatory Borrowing**") by each Revolving Credit Lender pro rata based on each Revolving Credit Lender's Revolving Credit Commitment Percentage, and the proceeds thereof shall be applied directly to the Swingline Lender to repay the Swingline Lender for such outstanding Swingline Loans. Each Revolving Credit Lender hereby irrevocably agrees to make such Revolving Credit Loans upon one Business Days' notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified to it in writing by the Swingline Lender notwithstanding (i) that the amount of the Mandatory Borrowing may not comply with the minimum amount for each Borrowing specified in Section 2.2, (ii) whether any conditions specified in Section 7 are then satisfied, (iii) whether a Default or an Event of Default has occurred and is continuing, (iv) the date of such Mandatory Borrowing, or (v) any reduction in the Total Revolving Credit Commitment after any such Swingline Loans were made. In the event that, in the sole judgment of the Swingline Lender, any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including as a result of the commencement of a proceeding under the Bankruptcy Code in respect of the Borrower), each Revolving Credit Lender hereby agrees that it shall forthwith purchase from the Swingline Lender (without recourse or warranty) such participation of the outstanding Swingline Loans as shall be necessary to cause the Lenders to share in such Swingline Loans ratably based upon their respective Revolving Credit Commitment Percentages; provided that all principal and interest payable on such Swingline Loans shall be for the account of the Swingline Lender until the date the respective participation is purchased and, to the extent attributable to the purchased participation, shall be payable to such Lender purchasing same from and after such date of purchase.

(d) If the maturity date shall have occurred in respect of any tranche of Revolving Credit Commitments (the "**Expiring Credit Commitment**") at a time when another tranche or tranches of Revolving Credit Commitments is or are in effect with a longer maturity date (each a "**Non-Expiring Credit Commitment**" and collectively, the "**Non-Expiring Credit Commitments**"), then with respect to each outstanding Swingline Loan, if consented to by the Swingline Lender (such consent not to be unreasonably withheld, conditioned or delayed), on the earliest occurring maturity date such Swingline Loan shall be deemed reallocated to the tranche or tranches of the Non-Expiring Credit Commitments on a pro rata basis; provided that (x) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation the amount of Swingline Loans to be reallocated equal to such excess shall be repaid or Cash Collateralized and (y) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the Borrower shall still be obligated to pay Swingline Loans allocated to the Revolving Credit Lenders holding the Expiring Credit Commitments at the maturity date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the maturity date of the Expiring Credit Commitment. Upon the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Swingline Loans may be reduced as agreed between the Swingline Lender and the Borrower, without the consent of any other Person.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Revolving Credit Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and in a multiple of $100,000 in excess thereof and Swingline Loans shall be in a minimum amount of $50,000 and in a multiple of $100,000 in excess thereof (except that Mandatory Borrowings shall be made in the amounts required by Section 2.1(c) and Revolving Credit Loans to reimburse the Letter of Credit Issuer with respect to any Unpaid Drawing shall be made in the amounts required by Section 3.3 or Section 3.4, as applicable). More than one Borrowing may be incurred on any date; provided that at no time shall there be outstanding more than ten Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing.

(a) Whenever the Borrower desires to incur Revolving Credit Loans (other than Mandatory Borrowings or Borrowings to repay Unpaid Drawings), the Borrower shall give the Administrative Agent at the Administrative Agent's Office, (i) prior to 12:00 noon (New York City time) at least ~~three~~two Business Days' prior written notice of each Borrowing of LIBOR Loans that are Revolving Credit Loans and (ii) prior to 12:00 noon (New York City time) on the day of such Borrowing prior written notice of each Borrowing of Revolving Credit Loans that are ABR Loans. ~~Such~~Each such notice (a "**Notice of Borrowing**"), shall be signed by an Authorized Officer of the Borrower and subject to Section 2.10, and, except as otherwise expressly provided in Section 2.10,

shall specify (A) the aggregate principal amount of the Revolving Credit Loans to be made pursuant to such Borrowing, (B) the date of Borrowing (which shall be a Business Day) and (C) whether the respective Borrowing shall consist of ABR Loans or LIBOR Loans that are Revolving Credit Loans and, if LIBOR Loans that are Revolving Credit Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Revolving Credit Lender written notice of each proposed Borrowing of Revolving Credit Loans, of such Lender's Revolving Credit Commitment Percentage thereof, of the identity of the Borrower, and of the other matters covered by the related Notice of Borrowing.

(b) Whenever the Borrower desires to incur Swingline Loans hereunder, the Borrower shall give the Swingline Lender written notice with a copy to the Administrative Agent of each Borrowing of Swingline Loans prior to 2:00 p.m. (New York City time) on the date of such Borrowing. Each such notice shall be in a form approved by the Administrative Agent and shall specify (x) the aggregate principal amount of the Swingline Loans to be made pursuant to such Borrowing and (y) the date of Borrowing (which shall be a Business Day).

(c) Mandatory Borrowings shall be made upon the notice specified in Section 2.1(c), with the Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of Mandatory Borrowings as set forth in such Section.

(d) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4(a).

(e) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it shall give hereunder by telephone (which obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

2.4 Disbursement of Funds.

(a) No later than 2:00 p.m. (New York City time) on the date specified in each Notice of Borrowing (including Mandatory Borrowings), each Lender shall make available its pro rata portion, if any, of each Borrowing requested to be made on such date in the manner provided below; provided that on the Restatement Effective Date, such funds may be made available at such earlier time as may be agreed among the Lenders, the Borrower, and the Administrative Agent for the purpose of consummating the Transactions; provided, further, that all Swingline Loans shall be made available to the Borrower in the full amount thereof by the Swingline Lender no later than 4:00 p.m. (New York City time).

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds, to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will (except in the case of Mandatory Borrowings and Borrowings to repay Unpaid Drawings) make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the ~~Overnight~~NYFRB Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt.

(a) The Borrower shall repay to the Administrative Agent for the benefit of the Revolving Credit Lenders, on the Revolving Credit Maturity Date, the then outstanding Revolving Credit Loans. The Borrower shall repay to the Administrative Agent for the benefit of the Incremental Lenders, on each Incremental Revolving Credit Maturity Date, the then outstanding amount of Incremental Revolving Credit Loans. The Borrower shall repay to the Swingline Lender, on the Swingline Maturity Date, the then outstanding Swingline Loans. The Borrower shall repay to the Administrative Agent, on the earlier of the Maturity Date and demand by the Administrative Agent, the then outstanding Protective Advances.

(b) At all times after the commencement and during the continuance of a Cash Dominion Period, and notification thereof by the Administrative Agent to the Borrower (subject to the provisions of Section ~~9.17~~9.16(b)), on each Business Day, at or before 1:00 p.m. (New York time), the Administrative Agent shall apply all immediately available funds credited on behalf of the Borrower to a Payment Account or such other account directed by the Administrative Agent pursuant to ~~Section 5.17(b)~~9.16 in accordance with Section 11.13 (except (A) clause (i) thereof and (B) to Secured Cash Management Obligations and Secured Hedge Obligations).

(c) In the event that any Incremental Revolving Credit Loans are made, such Incremental Revolving Credit Loans shall, subject to Section 2.14, be repaid by the Borrower in the amounts and on the dates set forth in the applicable Incremental Facility Amendment.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is a Revolving Credit Loan, Incremental Revolving Credit Loan or Swingline Loan, the Type of each Loan made and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that in the event of any inconsistency between the Registrar and any such account or subaccount, the Registrar shall govern; provided, further, that the failure of any Lender, the Administrative Agent or the Swingline Lender to maintain such account, such Register or subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(g) The Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made an initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit G, evidencing the Revolving Loans and Swingline Loans owing to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 13.6) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if requested by such payee, to such payee and its registered assigns).

2.6 Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $5,000,000 of the outstanding principal amount of Revolving Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; provided that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent prior written notice at the Administrative Agent's Office prior to (i) 12:00 noon (New York City time) at least ~~(i) three~~two Business Days prior, in the case of a continuation of or conversion to LIBOR Loans (other than in the case of a notice delivered on the Restatement Effective Date, which shall be deemed to be effective on the Restatement Effective Date), or (ii) 10:00 a.m. (New York City time) on the proposed day of a conversion into ABR Loans (each, a "**Notice of Conversion or Continuation**" substantially in the form of Exhibit K) specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. Each such Notice of Conversion or Continuation shall be signed by an Authorized Officer of the Borrower and subject to Section 2.10. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a LIBOR Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans denominated in Dollars and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a), the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 Pro Rata Borrowings. Each Borrowing of Revolving Credit Loans under this Agreement shall be made by the Revolving Credit Lenders pro rata on the basis of their then-applicable Revolving Credit Commitment Percentages. Each Borrowing of Incremental Revolving Credit Loans under this Agreement shall be made by the Revolving Credit Lenders pro rata on the basis of their then-applicable Incremental Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation, under any Credit Document.

2.8 Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* the ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for LIBOR Loans *plus* the relevant Adjusted LIBOR Rate.

(c) If an Event of Default has occurred and is continuing, if all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon or any other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum (the "**Default Rate**") that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of any other overdue amount, including overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) for the applicable Class *plus* 2.00% from the date of such non-payment to the date on which such amount is paid in full (after as well as before judgment).

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the first Business Day of each fiscal quarter of the Borrower, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period and (iii) in respect of each Loan, (A) on any prepayment in respect thereof, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower, be a one, two, three or six month period (or if approved by all the Lenders making such LIBOR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month or shorter period).

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the Maturity Date of such Loan.

2.10 Increased Costs, Illegality, Etc.

(a) If prior to the commencement of any Interest Period for a LIBOR Loan:

(i) ~~(a) In the event that (x) in the case of clause (i) below,~~ the Administrative Agent ~~and (y) in the case of clauses (ii) and (iii) below, the Required Lenders (or, in the case of clause (ii), the Issuing Bank with respect to Letters of Credit) shall have reasonably determined~~determines (which determination shall~~, absent clearly demonstrable error, be final and~~ be conclusive and binding ~~upon all parties hereto):(i) on any date for determining the Adjusted LIBOR Rate for any Interest Period that (x) deposits in the principal amounts and currencies of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Restatement Effective Date affecting the interbank LIBOR market, adequate and fair~~absent manifest error) that adequate and reasonable means do not exist for ascertaining the ~~applicable interest rate on the basis provided for in the definition of Adjusted LIBOR Rate~~Adjusted LIBOR Rate or the LIBOR Rate, as applicable (including, without limitation, by means of an Interpolated Rate or because the LIBOR Screen Rate is not available or published on a current basis) for such Interest Period; or

(ii) ~~at any time,~~the Required Lenders or Issuing Bank reasonably determines (which determination shall be conclusive and binding absent manifest error) that such Lenders or Issuing Bank shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans or Letters of Credit (including the issuance or maintenance thereof or participating therein or an agreement to issue or maintain a Letter of Credit or participate therein) (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to Indemnified Taxes, Excluded Taxes or Other Taxes) because of any Change in Law; or

(iii) ~~at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lenders in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Restatement Effective Date that materially and adversely affects the interbank LIBOR market;~~the Administrative Agent is advised by the Required Lenders that the Adjusted LIBOR Rate or the LIBOR Rate, as applicable, for such Interest Period will ~~not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period.~~

~~(such Loans, "**Impacted Loans**"), then, and in any such event, such Required Lenders (or~~then the Administrative Agent~~, in~~ (or the ~~case of clause (i) above~~Required Lenders or Issuing Bank in the case of clause (ii) above, as applicable) shall ~~within a reasonable time thereafter~~ give notice ~~(if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders and Issuing Bank). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as~~thereof to the Borrower and the Lenders through electronic system as provided in Section 13.2 as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders (or Issuing Bank in the case of clause (ii) above) that the circumstances giving rise to such notice ~~by the Administrative Agent~~ no longer exist ~~(which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and,~~ (A) any ~~Notice of Borrowing or~~ Notice of Conversion or Continuation ~~given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, (y~~that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a LIBOR Loan shall be ineffective and any such LIBOR Loan shall be repaid or converted into an ABR Loan on the last day of the then current Interest Period applicable thereto, (B) if any Notice of Borrowing

requests a LIBOR Loan, such Borrowing shall be made as an ABR Loan and (C) in the case of clause (ii) above, the Borrower shall pay to such Lenders or Issuing Bank, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Lenders or Issuing Bank in its reasonable discretion shall determine) as shall be required to compensate such Lenders or Issuing Bank for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to any such Lenders or Issuing Bank, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lenders or Issuing Bank shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto)~~, and (z) in the case of subclause (iii) above, the Borrower shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law~~.

(b) ~~Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 2.10(a)(i)(x), the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (x) of the first sentence of the immediately preceding paragraph, (2) the Administrative Agent or the affected Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3)~~If any Lender determines that any Change in Law has made it unlawful, or ~~that~~if any Governmental Authority has asserted that it is unlawful, for ~~such~~any Lender or its applicable lending office to make, maintain ~~or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate~~, fund or continue any LIBOR Loan, or any Governmental Authority has imposed material restrictions on the authority of such Lender to ~~do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected LIBOR Loan has been submitted pursuant to Section 2.3 but the affected LIBOR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by Lenders pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).~~purchase or sell, or to take deposits of, dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligations of such Lender to make, maintain, fund or continue LIBOR Loans or to convert ABR Loans to LIBOR Loans will be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will upon demand from such Lender (with a copy to the Administrative Agent), either convert or prepay all LIBOR Loans of such Lender to ABR Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Loans. Upon any such conversion or prepayment, the Borrower will also pay accrued interest on the amount so converted or prepaid.

(c) If, after the Restatement Effective Date, any Change in Law relating to capital adequacy or liquidity of any Lender or Issuing Bank or compliance by any Lender or Issuing Bank or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Restatement Effective Date, has or would have the effect of reducing the actual rate of return on such Lender's (or Issuing Bank's) or its parent's or its Affiliate's capital or assets as a consequence of such Lender's or Issuing Bank's commitments or obligations hereunder to a level below that which such Lender or Issuing Bank or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's (or Issuing Bank's) or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after demand by such Lender or Issuing Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Lender or Issuing Bank such actual additional amount or amounts as will compensate such Lender or Issuing Bank or its parent for such actual reduction, it being understood and agreed, however, that a Lender or Issuing Bank shall not be entitled to such compensation as a result of such Lender's or Issuing Bank's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Restatement Effective Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrower hereunder) under

comparable syndicated credit facilities similar to the Credit Facilities. Each Lender and Issuing Bank, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) If ~~the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining its affected LIBOR Loans during such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter (which notice shall include supporting calculations in reasonable detail). If such notice is given, (i) any LIBOR Loan requested to be made on the first day of such Interest Period shall be made an ABR Loan, (ii) any Loans that were to have been converted on the first day of such Interest Period to LIBOR Loans shall be continued as an ABR Loan and (iii) any outstanding LIBOR Loans shall be converted, on the first day of such Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further LIBOR Loans shall be made or continued as such, nor shall the Borrower have the right to convert ABR Loans to LIBOR Loans~~at any time the Administrative Agent, in consultation with the Borrower, determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(i) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(i) have not arisen but either (w) the supervisor for the administrator of the LIBOR Screen Rate has made a public statement that the administrator of the LIBOR Screen Rate is insolvent (and there is no successor administrator that will continue publication of the LIBOR Screen Rate), (x) the administrator of the LIBOR Screen Rate has made a public statement identifying a specific date after which the LIBOR Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the LIBOR Screen Rate), (y) the supervisor for the administrator of the LIBOR Screen Rate has made a public statement identifying a specific date after which the LIBOR Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBOR Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBOR Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 13.2, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders of each Class stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (d) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 2.10(d), only to the extent the LIBOR Screen Rate for such Interest Period is not available or published at such time on a current basis), (x) any Notice of Conversion or Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a LIBOR Loan shall be ineffective, and (y) if any Notice of Borrowing requests a LIBOR Loan, such Borrowing shall be made as an ABR Loan; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing or a failure to satisfy borrowing conditions, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as a LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Sections 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), promptly pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any

additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in this Section 2.11 and setting forth in reasonable detail the manner in which such amount or amounts were determined shall be delivered to the Borrower and shall be conclusive, absent manifest error. The obligations of the Borrower under this Section 2.11 shall survive the payment in full of the Loans and the termination of this Agreement.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections ~~2.10(a)(ii), 2.10(a)(iii), 2.10(b),~~2.10, 3.5 or 5.4 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Sections 2.10, 2.11 or 3.5 is given by any Lender more than 120 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Sections 2.10, 2.11 or 3.5, as the case may be, for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower.

2.14 Incremental Facilities.

(a) At any time and from time to time after the Restatement Effective Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly make available to each of the Lenders), request to effect one or more increases in the Revolving Credit Commitments (or, solely to the extent set forth in Section 2.14(d) below, provide commitments under a new facility constituting a Last Out Tranche) (an "**Incremental Commitment**") from one or more Incremental Lenders; provided that (A) at the time of each such request and upon the effectiveness of each Incremental Facility Amendment, no Event of Default shall have occurred and be continuing (except in connection with a Permitted Acquisition or any other Investment not prohibited by the terms of this Agreement, which shall be subject to no continuing Event of Default under Section 11.1 or 11.5) or shall result therefrom, (B) the arrangement, upfront or similar fees in respect of such Incremental Commitment and the extensions of credit thereunder shall be determined by the Borrower and the applicable Incremental Lenders; provided that, except with respect to any Last Out Tranche under Section 2.14(d) below, the Applicable Margins and Commitment Fees hereunder shall be increased if necessary to be consistent with that for such Incremental Commitment, and (C) except as set forth in clause (B) above or, with respect to any Last Out Tranche under Section 2.14(d) below, any Incremental Commitment shall be on the same terms and pursuant to the same documentation applicable to the existing Revolving Credit Commitments hereunder. Notwithstanding anything to the contrary herein, the aggregate principal amount of all Incremental Commitments plus the Total Revolving Credit Commitment shall not exceed $~~900,000,000~~1,250,000,000. Each Incremental Commitment shall be in a minimum principal amount of $10,000,000 and integral multiples of $5,000,000 in excess thereof (unless the Borrower and the Administrative Agent otherwise agree); provided that such amount may be less than $10,000,000 if such amount represents all the remaining availability under the aggregate principal amount of Incremental Commitments set forth above.

(b) (i) Each notice from the Borrower pursuant to this Section shall set forth the requested amount of the relevant Incremental Commitments.

(ii) Any Incremental Commitments shall become Commitments under this Agreement pursuant to an amendment (an "**Incremental Facility Amendment**") to this Agreement and, as appropriate, the other Credit Documents executed by the Borrower, such applicable Incremental Lenders and the Administrative Agent.

Incremental Commitments shall be provided by Incremental Lenders (including any existing Lender (it being understood that no existing Lender shall have any right to participate in any Incremental Commitments or, unless it agrees, be obligated to provide any Incremental Commitments)); provided that each Incremental Lender (except in respect of a Last Out Tranche) (other than any Person that is a Lender or an Affiliate of a Lender) shall be subject to the written consent of the Administrative Agent, each Letter of Credit Issuer, the Swingline Lender and the Borrower (such approval in each case not to be unreasonably withheld or delayed). An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to (x) effect the provisions of this Section and/or (y) so long as such amendments are not, in the reasonable opinion of the Administrative Agent, materially adverse to the Lenders, maintain the "fungibility" of any such Incremental Commitments with any tranche of then outstanding Loans and or Commitments hereunder.

(c) Any Revolving Loan made pursuant to an Incremental Commitment shall be a "Revolving Loan" for all purposes of this Agreement and the other Credit Documents

(d) Any Incremental Commitment may be in the form of a separate "last-out" tranche (the "**Last Out Tranche**") with interest rate margins, rate floors, upfront fees, funding discounts and original issue discounts and advance rates, in each case to be agreed upon (which, for the avoidance of doubt, shall not require any adjustment to the Applicable Margin or other Loans) among the Borrower and the Incremental Lenders providing the Last Out Tranche so long as (1) any loans and related obligations in respect of the Last Out Tranche are not be guaranteed by any Person other than the Guarantors and are not secured by any assets other than Collateral; (2) as between (x) the Revolving Loans (other than the Last Out Tranche), LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges and (y) the Last Out Tranche, all proceeds from the liquidation or other realization of the Collateral (including ABL Priority Collateral) or application of funds under Section 11.13 shall be applied, first to obligations owing under, or with respect to, the Revolving Loans (other than the Last Out Tranche), the LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges, and second to the Last Out Tranche; (3) the Borrower may not prepay Revolving Loans under the Last Out Tranche or terminate or reduce the commitments in respect thereof at any time that other Revolving Loans (including Swingline Loans) and/or amounts owed in respect of Letters of Credit (unless cash collateralized or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent) are outstanding; (4) the Required Lenders(not including holders of the Last Out Tranche until all Revolving Loans, LC obligations, Noticed Cash Management Obligations and Noticed Hedges are paid in full) shall, subject to the terms of the ABL Intercreditor Agreement, exercise control of remedies in respect of the Collateral; (5) no changes affecting the priority status of the Revolving Loans (other than the Last Out Tranche), the LC Obligations, the Noticed Cash Management Obligations and the Noticed Hedges vis-à-vis the Last Out Tranche may be made without the consent of each of the Revolving Credit Lenders (other than the Revolving Credit Lenders under Last Out Tranche), (6) the final maturity of any Last Out Tranche shall not occur, and no Last Out Tranche shall require mandatory commitment reductions prior to, the Latest Maturity Date at such time and (7) except as otherwise set forth in this Section 2.14(d), the terms of any Last Out Tranche are not materially less favorable to the Borrower than those hereunder (including, without limitation, the inclusion of any additional financial or other material covenant without the consent of the Administrative Agent).

(e) Notwithstanding anything to the contrary, this Section 2.14 shall supersede any provisions in Section 13.1 or Section 13.20 to the contrary.

2.15 Protective Advances and Overadvances.

(a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the sole discretion of the Administrative Agent (but, in any such case, none of them shall have absolutely any obligation to) to make Loans in Dollars to the Borrower on behalf of the Revolving Credit Lenders (each such Loan, a "**Protective Advance**"), which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (A) to preserve or protect the Collateral, or any portion thereof, (B) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (C) to pay any other amount chargeable to or required to be paid by the applicable Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 13.5) and other sums payable under the Credit Documents; provided that (1) the aggregate amount of outstanding Protective Advances (taken together with Overadvances under Section 2.15(c)) shall not, at any time,

exceed (x) 10% of the Borrowing Base as determined on the date of such proposed Protective Advance or (y) when added to the aggregate Revolving Credit Exposure of all the Revolving Credit Lenders, the aggregate Commitments. Protective Advances may be made even if the conditions precedent set forth in Section 7 have not been satisfied. All Protective Advances shall be ABR Loans. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that the conditions precedent set forth in Section 7 have been satisfied, the Administrative Agent may request the Revolving Credit Lenders to make a Revolving Credit Loan to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund, in Dollars, their risk participation described in Section 2.15(c).

(b) Upon the making of a Protective Advance (whether before or after the occurrence of a Default) by the Administrative Agent, each Revolving Credit Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance, on a pro rata basis with each other Revolving Credit Lender. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, on a pro rata basis with each other Revolving Credit Lender, all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(c) Notwithstanding anything to the contrary contained elsewhere in this Section 2.15 or this Agreement or the other Credit Documents and whether or not a Default or Event of Default exists at the time, the Administrative Agent may require the Revolving Credit Lenders to honor requests or deemed requests by the Borrower for Revolving Loans at a time that an Overadvance Condition exists or which would result in an Overadvance Condition and each relevant Lender shall be obligated to continue to make its pro rata share of any such Overadvance Loan up to a maximum amount outstanding equal to its Revolving Credit Commitment at such time, so long as the aggregate amount of such Overadvances (taken together with Protective Advances under Section 2.15(a)) shall not, at any time, exceed 10% of the Maximum Borrowing Amount, but in no event shall such Overadvance exist for more than thirty (30) consecutive Business Days or more than forty-five (45) Business Days in any twelve calendar month period; provided, that (i) the aggregate amount of outstanding Overadvances plus any Protective Advances described in Section 2.15(a) plus the aggregate of all other Revolving Credit Exposures shall not exceed the Revolving Credit Commitments and (ii) the Revolving Credit Exposure of any Lender shall not exceed the Revolving Credit Commitment of such Lender. The Administrative Agent's authorization to require Revolving Credit Lenders to honor requests or deemed requests for Overadvance Loans may be revoked at any time by the Required Lenders.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Requirements of Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 13.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Letter of Credit Issuer or Swingline Lender hereunder; *third*, to Cash Collateralize the Letter of Credit Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 3.8; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the

Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Letter of Credit Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 3.8; *sixth*, to the payment of any amounts owing to the Borrower, the Lenders, the Letter of Credit Issuer or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by the Borrower, any Lender, the Letter of Credit Issuer or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *seventh*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 7 were satisfied or waived, such payment shall be applied solely to pay the Loans of and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 4 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its applicable percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 3.8.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Letter of Credit Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Letter of Credit's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to them hereunder or under applicable law, (x) *first*, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) *second*, Cash Collateralize the Letter of Credit Issuers' Fronting Exposure in accordance with the procedures set forth in Section 3.8.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender, and the Letter of Credit Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Credit Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Revolving Credit Commitment Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 Reserves; Change in Reserves; Decisions by Agent. The Administrative Agent may at any time and from time to time in the exercise of its Permitted Discretion establish and increase or decrease Reserves; provided that, as a condition to the establishment of any new category of Reserves, or any increase in Reserves resulting from a change in the manner of determination thereof, any Required Reserve Notice shall have been given to the Borrower; provided, however, that no such Required Reserve Notice shall be required for changes to any Reserves resulting solely by virtue of mathematical calculations of the amount of the Reserve in accordance with the methodology of calculations previously utilized; provided, further, that circumstances, conditions, events or contingencies existing or arising prior to the Restatement Effective Date and, in each case, disclosed in writing in any field examination delivered to the Administrative Agent in connection therewith or otherwise known to the Administrative Agent, in either case, prior to the Restatement Effective Date, shall not be the basis for any establishment of any Reserves after the Restatement Effective Date, unless such circumstances, conditions, events or contingencies shall have changed in a material respect since the Restatement Effective Date. Upon delivery of such notice, the Administrative Agent shall be available to discuss the proposed Reserve or increase, and the Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to the Administrative Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of the Administrative Agent to establish or change such Reserve, unless the Administrative Agent shall have determined in its Permitted Discretion that the event, condition or other matter that is the basis for such new Reserve or such change no longer exists or has otherwise been adequately addressed by the Borrower. Notwithstanding anything herein to the contrary, Reserves shall not duplicate eligibility criteria contained in the definition of "Eligible Credit Card Receivables" or "Eligible Inventory" and vice versa.

Section 3. Letters of Credit.

3.1 Letters of Credit.

(a) Subject to and upon the terms and conditions herein set forth, at any time and from time to time after the Restatement Effective Date and prior to the L/C Facility Maturity Date, each Letter of Credit Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 3, to issue from time to time from the Restatement Effective Date through the L/C Facility Maturity Date for the account of the Borrower (or, so long as a Borrower is the primary obligor and a signatory to the Letter of Credit Request, for the account of Holdings or any Restricted Subsidiary (other than the Borrower)) letters of credit (the "**Letters of Credit**" and each, a "**Letter of Credit**"), which Letters of Credit shall not exceed any such Letter of Credit Issuer's Letter of Credit Commitment and in the aggregate shall not exceed the L/C Sublimit, in such form as may be approved by the applicable Letter of Credit Issuer in its reasonable discretion.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time, would exceed the Letter of Credit Commitment then in effect (or with respect to any Letter of Credit Issuer, exceed such Letter of Credit Issuer's Letter of Credit Commitment); (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the aggregate amount of the Lenders' Revolving Credit Exposures at the time of the issuance thereof to exceed the Total Revolving Credit Commitment then in effect; (iii) each Letter of Credit shall have an expiration date occurring no later than one year after the date of issuance thereof (except as set forth in Section 3.2(d)), provided that in no event shall such expiration date occur later than the L/C Facility Maturity Date, in each case, unless otherwise agreed upon by the Administrative Agent, the Letter of Credit Issuer and, unless such Letter of Credit has been Cash Collateralized or backstopped (in the case of a backstop only, on terms reasonably satisfactory to such Letter of Credit Issuer), the Revolving Credit Lenders; (iv) the Letter of Credit shall be denominated in Dollars; (v) no Letter of Credit shall be issued if it would be illegal under any applicable law for the beneficiary of the Letter of Credit to have a Letter of Credit issued in its favor; and (vi) no Letter of Credit shall be issued by a Letter of Credit Issuer after it has received a written notice from any Credit Party or the Administrative Agent or the Required Lenders stating that a Default or Event of Default has occurred and is continuing until such time as such Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default in accordance with the provisions of Section 13.1.

(c) Upon at least two Business Days' prior written notice to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, on any day, permanently to terminate or reduce the Letter of Credit Commitment in whole or in part; provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding shall not exceed the Letter of Credit Commitment (or with respect to a Letter of Credit Issuer, the Letters of Credit outstanding with respect to Letters of Credit issued by such Letter of Credit Issuer shall not exceed such Letter of Credit Issuer's Letter of Credit Commitment).

(d) [Reserved].

(e) The Letter of Credit Issuer shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms enjoin or restrain any such Letter of Credit Issuer from issuing such Letter of Credit, or any law applicable to such Letter of Credit Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Letter of Credit Issuer shall prohibit, or request that such Letter of Credit Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Letter of Credit Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (in each case, for which such Letter of Credit Issuer is not otherwise compensated hereunder) not in effect on the Restatement Effective Date, or shall impose upon such Letter of Credit Issuer any unreimbursed loss, cost or expense which was not applicable on the Restatement Effective Date and which such Letter of Credit Issuer in good faith deems material to it;

(ii) the issuance of such Letter of Credit would violate one or more policies of such Letter of Credit Issuer applicable to letters of credit generally;

(iii) except as otherwise agreed by the applicable Letter of Credit Issuer, such Letter of Credit is in an initial Stated Amount less than $50,000, in the case of a commercial Letter of Credit, or $10,000, in the case of a standby Letter of Credit;

(iv) such Letter of Credit is denominated in a currency other than Dollars;

(v) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or

(vi) a default of any Revolving Credit Lender's obligations to fund under Section 3.3 exists or any Revolving Credit Lender is at such time a Defaulting Lender hereunder, unless, in each case, the Borrower have entered into arrangements reasonably satisfactory to the applicable Letter of Credit Issuer to eliminate such Letter of Credit Issuer's risk with respect to such Revolving Credit Lender or such risk has been reallocated in accordance with Section 2.16.

(f) The Letter of Credit Issuer shall not increase the Stated Amount of any Letter of Credit if any such Letter of Credit Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(g) The Letter of Credit Issuer shall be under no obligation to amend any Letter of Credit if (A) any such Letter of Credit Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(h) The Letter of Credit Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith and the Letter of Credit Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Section 13 with respect to any acts taken or omissions suffered by the Letter of Credit Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Section 13 included the Letter of Credit Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Letter of Credit Issuer.

(i) The parties hereto agree that the Existing Letters of Credit shall be deemed to be Letters of Credit for all purposes under this Agreement, without any further action by the Borrowers, the Letter of Credit Issuer or any other Person.

3.2 Letter of Credit Requests.

(a) Whenever the Borrower desires that a Letter of Credit be issued for its account or amended, the Borrower shall give the Administrative Agent and the Letter of Credit Issuer a Letter of Credit Request by no later than 1.00 p.m. (New York City time) at least four Business Days (or such other period as may be agreed upon by the Borrower, the Administrative Agent and the Letter of Credit Issuer) prior to the proposed date of issuance or amendment. Each Letter of Credit Request shall be executed by the Borrower. Such Letter of Credit Request may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the Letter of Credit Issuer, by personal delivery or by any other means acceptable to the Letter of Credit Issuer.

(b) In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the Stated Amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the identity of the applicant; and (H) such other matters as the Letter of Credit Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer (I) the Letter of Credit to be amended; (II) the proposed date of amendment thereof (which shall be a Business Day); (III) the nature of the proposed amendment; and (IV) such other matters as the Letter of Credit Issuer may reasonably require. Additionally, the Borrower shall furnish to the Letter of Credit Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Letter of Credit Issuer or the Administrative Agent may reasonably require.

(c) Unless the Letter of Credit Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Credit Party, at least one Business Day prior to the requested date of issuance or amendment of the Letter of Credit, that one or more applicable conditions contained in Section 6 (solely with respect to any Letter of Credit issued on the Restatement Effective Date) and Section 7 shall not then be satisfied to the extent required thereby, then, subject to the terms and conditions hereof, the Letter of Credit Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or, so long as the Borrower is the primary obligor, for the account of Holdings or another Restricted Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the Letter of Credit Issuer's usual and customary business practices.

(d) If the Borrower so requests in any Letter of Credit Request, the Letter of Credit Issuer shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); provided that any such Auto-Extension Letter of Credit must permit the Letter of Credit Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof and the Borrower not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Letter of Credit Issuer, the Borrower shall not be required to make a specific request to the Letter of Credit Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Letter of Credit Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the L/C Facility Maturity Date, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer; provided, however, that the Letter of Credit Issuer shall not permit any such extension if (A) the Letter of Credit Issuer has reasonably determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (b) of Section 3.1 or otherwise), or (B) it has received written notice on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Sections 6 and 7 are not then satisfied, and in each such case directing the Letter of Credit Issuer not to permit such extension.

(e) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit (including any Existing Letter of Credit) to an advising bank with respect thereto or to the beneficiary thereof, the Letter of Credit Issuer will also deliver to the applicable Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. On the last Business Day of each month, each Letter of Credit Issuer shall provide the Administrative Agent a list of all Letters of Credit (including any Existing Letter of Credit) issued by it that are outstanding at such time.

(f) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower that the Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.1(b).

3.3 Letter of Credit Participations.

(a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each Revolving Credit Lender (each such Revolving Credit Lender, in its capacity under this Section 3.3, an "**L/C Participant**"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "**L/C Participation**"), to the extent of such L/C Participant's Revolving Credit Commitment Percentage in each Letter of Credit, each substitute therefor, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto; provided that the Letter of Credit Fees will be paid directly to the Administrative Agent for the ratable account of the L/C Participants as provided in Section 4.1(b) and the L/C Participants shall have no right to receive any portion of any Fronting Fees.

(b) In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the L/C Participants other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction, shall not create for the Letter of Credit Issuer any resulting liability.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the applicable Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer through the Administrative Agent pursuant to Section 3.4(a), the Administrative Agent shall promptly notify each L/C Participant of such failure, and each L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Revolving Credit Commitment Percentage of such unreimbursed payment in Dollars and in immediately available funds. If and to the extent such L/C Participant shall not have so made its Revolving Credit Commitment Percentage of the amount of such payment available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at a rate per annum equal to the ~~Overnight~~NYFRB Rate from time to time then in effect, plus any administrative, processing or similar fees that are reasonably and customarily charged by the Letter of Credit Issuer in connection with the foregoing. The failure of any L/C Participant to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Revolving Credit Commitment Percentage of any such payment.

(d) Whenever the Administrative Agent receives a payment in respect of an unpaid reimbursement obligation as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any payments from the L/C Participants pursuant to clause (c) above, the Administrative Agent shall promptly pay to each L/C Participant that has paid its Revolving Credit Commitment Percentage of such reimbursement obligation, in Dollars and in immediately available funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by all L/C Participants) of the amount so paid in respect of such reimbursement obligation and interest thereon accruing after the purchase of the respective L/C Participations at the ~~Overnight~~NYFRB Rate.

(e) The obligations of the L/C Participants to make payments to the Administrative Agent for the account of the Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances.

(f) If any payment received by the Administrative Agent for the account of the Letter of Credit Issuer pursuant to Section 3.3(c) is required to be returned under any of the circumstances described in Section 3.20 (including pursuant to any settlement entered into by the Letter of Credit Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable ~~Overnight~~NYFRB Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

3.4 Agreement to Repay Letter of Credit Drawings.

(a) The Borrower hereby agrees to reimburse the Letter of Credit Issuer, by making payment with respect to any drawing under any Letter of Credit in the same currency in which such drawing was made unless the Letter of Credit Issuer (at its option) shall have specified in the notice of drawing that it will require reimbursement in Dollars. Any such reimbursement shall be made by the Borrower to the Administrative Agent in immediately available funds for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit (each such amount so paid until reimbursed, an "**Unpaid Drawing**") no later than the date that is one Business Day after the date on which the Borrower receives written notice of such payment or disbursement (the "**Reimbursement Date**"), with interest on the amount so paid or disbursed by the Letter of Credit Issuer, to the extent not reimbursed prior to 5:00 p.m. (New York City time) on the Reimbursement Date, from the Reimbursement Date to the date the Letter of Credit Issuer is reimbursed therefor at a rate per annum that shall at all times be the Applicable Margin for

ABR Loans that are Revolving Credit Loans *plus* the ABR as in effect from time to time, provided that, notwithstanding anything contained in this Agreement to the contrary, (i) unless the Borrower shall have notified the Administrative Agent and the relevant Letter of Credit Issuer prior to 12:00 noon (New York City time) on the Reimbursement Date that the Borrower intends to reimburse the relevant Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, the Borrower shall be deemed to have given a Notice of Borrowing requesting that, with respect to Letters of Credit, the Revolving Credit Lenders make Revolving Credit Loans (which shall be denominated in Dollars and which shall be ABR Loans) on the Reimbursement Date in the amount of such drawing and (ii) the Administrative Agent shall promptly notify each L/C Participant of such drawing and the amount of its Revolving Credit Loan to be made in respect thereof, and each L/C Participant shall be irrevocably obligated to make a Revolving Credit Loan to the Borrower in Dollars in the manner deemed to have been requested in the amount of its Revolving Credit Commitment Percentage of the applicable Unpaid Drawing by 2:00 p.m. (New York City time) on such Reimbursement Date by making the amount of such Revolving Credit Loan available to the Administrative Agent. Such Revolving Credit Loans shall be made without regard to the Minimum Borrowing Amount. The Administrative Agent shall use the proceeds of such Revolving Credit Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing. In the event that the Borrower fail to Cash Collateralize any Letter of Credit that is outstanding on the L/C Facility Maturity Date, the full amount of the Letters of Credit Outstanding in respect of such Letter of Credit shall be deemed to be an Unpaid Drawing subject to the provisions of this Section 3.4 except that the Letter of Credit Issuer shall hold the proceeds received from the L/C Participants as contemplated above as cash collateral for such Letter of Credit to reimburse any Unpaid Drawing under such Letter of Credit and shall use such proceeds first, to reimburse itself for any Unpaid Drawings made in respect of such Letter of Credit following the L/C Facility Maturity Date, second, to the extent such Letter of Credit expires or is returned undrawn while any such cash collateral remains, to the repayment of obligations in respect of any Revolving Credit Loans that have not been paid at such time and third, to the Borrower or as otherwise directed by a court of competent jurisdiction. Nothing in this Section 3.4(a) shall affect the Borrower's obligation to repay all outstanding Revolving Credit Loans when due in accordance with the terms of this Agreement.

(b) The obligation of the Borrower to reimburse the Letter of Credit Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the applicable Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the Letter of Credit Issuer of any requirement that exists for the Letter of Credit Issuer's protection and not the protection of the Borrower (or Holdings or other Restricted Subsidiary) or any waiver by the Letter of Credit Issuer which does not in fact materially prejudice the Borrower (or Holdings or other Restricted Subsidiary);

(v) any payment made by the Letter of Credit Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vi) any payment by the Letter of Credit Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Letter of Credit Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under the Bankruptcy Code;

(vii) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(viii) any adverse change in any relevant exchange rates or in the relevant currency markets generally; or

(ix) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower (or Holdings or other Restricted Subsidiary) (other than the defense of payment or performance).

(c) The Borrower shall not be obligated to reimburse the Letter of Credit Issuer for any wrongful payment made by the Letter of Credit Issuer under the Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer as determined in the final non-appealable judgment of a court of competent jurisdiction.

3.5 Increased Costs. If after the Restatement Effective Date, the adoption of any applicable law, treaty, rule, or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by the Letter of Credit Issuer or any L/C Participant with any request or directive made or adopted after the Restatement Effective Date (whether or not having the force of law), by any such authority, central bank or comparable agency shall either (x) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C Participant's L/C Participation therein, or (y) impose on the Letter of Credit Issuer or any L/C Participant any other conditions or costs affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the actual cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the actual amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to Indemnified Taxes, Excluded Taxes or Other Taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly after receipt of written demand to the Borrower by the Letter of Credit Issuer or such L/C Participant, as the case may be (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to a Letter of Credit issued on account of a Borrower (or Holdings or other Restricted Subsidiary))), such Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such actual additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction, it being understood and agreed, however, that the Letter of Credit Issuer or an L/C Participant shall not be entitled to such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the Restatement Effective Date. A certificate submitted to the Borrower by the relevant Letter of Credit Issuer or an L/C Participant, as the case may be (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), setting forth in reasonable detail the basis for the determination of such actual additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrower absent clearly demonstrable error. The obligations of the Borrower under this Section 3.5 shall survive the payment in full of the Obligations and the termination of this Agreement.

3.6 New or Successor Letter of Credit Issuer.

(a) The Letter of Credit Issuer may resign as the Letter of Credit Issuer upon 60 days' prior written notice to the Administrative Agent, the Lenders, Holdings, and the Borrower. The Borrower may replace the Letter of Credit Issuer for any reason upon written notice to the Administrative Agent and the Letter of Credit Issuer. The Borrower may add Letter of Credit Issuers who agree to so act at any time upon notice to the Administrative Agent. If the Letter of Credit Issuer shall resign or be replaced, or if the Borrower shall decide to add a new Letter of Credit Issuer under this Agreement, then the Borrower may appoint from among the Lenders a successor issuer of Letters of Credit or a new Letter of Credit Issuer, as the case may be, or, with the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), another successor or new issuer of Letters of Credit, whereupon such successor issuer accepting such appointment shall succeed to the rights, powers and duties of the replaced or resigning Letter of Credit Issuer under this Agreement and the other Credit Documents, or such new issuer of Letters of Credit accepting such appointment shall be granted the rights, powers and duties of the Letter of Credit Issuer hereunder, and the term Letter of Credit Issuer shall mean such successor or such new issuer of Letters of Credit effective upon such appointment. At the time such resignation or replacement shall become effective, the Borrower shall pay to the resigning or replaced Letter of Credit Issuer all accrued and unpaid fees applicable to the Letters of Credit pursuant to Sections 4.1(b) and 4.1(d). The acceptance of any appointment as the Letter of Credit Issuer hereunder whether as a successor issuer or new issuer of Letters of Credit in accordance with this Agreement, shall be evidenced by an agreement entered into by such new or successor issuer of Letters of Credit, in a form reasonably satisfactory to the Borrower and the Administrative Agent and, from and after the effective date of such agreement, such new or successor issuer of Letters of Credit shall become the Letter of Credit Issuer hereunder. After the resignation or replacement of the Letter of Credit Issuer hereunder, the resigning or replaced Letter of Credit Issuer shall remain a party hereto and shall continue to have all the rights and obligations of the Letter of Credit Issuer under this Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. In connection with any resignation or replacement pursuant to this clause (a) (but, in case of any such resignation, only to the extent that a successor issuer of Letters of Credit shall have been appointed), either (i) the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall arrange to have any outstanding Letters of Credit issued by the resigning or replaced Letter of Credit Issuer replaced with Letters of Credit issued by the successor issuer of Letters of Credit or (ii) the Borrower shall cause the successor issuer of Letters of Credit, if such successor issuer is reasonably satisfactory to the replaced or resigning Letter of Credit Issuer, to issue "back-stop" Letters of Credit naming the resigning or replaced Letter of Credit Issuer as beneficiary for each outstanding Letter of Credit issued by the resigning or replaced Letter of Credit Issuer, which new Letters of Credit shall be denominated in the same currency as, and shall have a face amount equal to, the Letters of Credit being back-stopped and the sole requirement for drawing on such new Letters of Credit shall be a drawing on the corresponding back-stopped Letters of Credit. After any resigning or replaced Letter of Credit Issuer's resignation or replacement as Letter of Credit Issuer, the provisions of this Agreement relating to the Letter of Credit Issuer shall inure to its benefit as to any actions taken or omitted to be taken by it (A) while it was the Letter of Credit Issuer under this Agreement or (B) at any time with respect to Letters of Credit issued by such Letter of Credit Issuer.

(b) To the extent there are, at the time of any resignation or replacement as set forth in clause (a) above, any outstanding Letters of Credit, nothing herein shall be deemed to impact or impair any rights and obligations of any of the parties hereto with respect to such outstanding Letters of Credit (including, without limitation, any obligations related to the payment of Fees or the reimbursement or funding of amounts drawn), except that the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall have the obligations regarding outstanding Letters of Credit described in clause (a) above.

3.7 Role of Letter of Credit Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Letter of Credit Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Required Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of

any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrower's pursuit of such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable or responsible for any of the matters described in Section 3.3(b); provided that anything in such Section to the contrary notwithstanding, the Borrower may have a claim against a Letter of Credit Issuer, and a Letter of Credit Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such Letter of Credit Issuer's willful misconduct or gross negligence or such Letter of Credit Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit in each case as determined in the final non-appealable judgment of a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Letter of Credit Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

The Letter of Credit Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

3.8 Cash Collateral.

(a) Certain Credit Support Events. Upon the written request of the Administrative Agent or the Letter of Credit Issuer, if (i) as of the L/C Facility Maturity Date, any L/C Obligation for any reason remains outstanding, (ii) the Borrower shall be required to provide Cash Collateral pursuant to Section 11.13, or (iii) the provisions of Section 2.16(a)(v) are in effect, the Borrower shall immediately (in the case of clause (ii) above) or within one Business Day (in all other cases) following any written request by the Administrative Agent or the Letter of Credit Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iii) above, after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to (and subject to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Letter of Credit Issuer and the Lenders, and agree to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein as described in Section 3.8(a), and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 3.8(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the Letter of Credit Issuer as herein provided, other than Permitted Liens, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount (including, without limitation, as a result of exchange rate fluctuations), the Borrower will, promptly upon written demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. Cash Collateral shall be maintained in blocked, interest bearing deposit accounts with the Administrative Agent. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.8 or Sections 2.16, 5.2, or 11.13 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 13.6(b)(ii)) or there is no longer existing an Event of Default) or (ii) the determination by the Administrative Agent and the Letter of Credit Issuer that there exists excess Cash Collateral.

3.9 Applicability of ISP and UCP. Unless otherwise expressly agreed by the Letter of Credit Issuer and the applicable Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the Letter of Credit Issuer shall not be responsible to the Borrower for, and the Letter of Credit Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the Letter of Credit Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the applicable law or any order of a jurisdiction where the Letter of Credit Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

3.10 Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control and any grant of security interest in any Issuer Documents shall be void.

3.11 Letters of Credit Issued for Restricted Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary, the Borrower shall be obligated to reimburse the Letter of Credit Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or any other Restricted Subsidiaries inures to the benefit of the Borrower and that the Borrower's business derives substantial benefits from the businesses of Holdings and the other Restricted Subsidiaries.

3.12 Provisions Related to Extended Revolving Credit Commitments. If the Letter of Credit Expiration Date in respect of any tranche of Revolving Credit Commitments occurs prior to the expiry date of any Letter of Credit, then (i) if consented to by the Letter of Credit Issuer which issued such Letter of Credit, if one or more other tranches of Revolving Credit Commitments in respect of which the Letter of Credit Expiration Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Credit Lenders to purchase participations therein and to make Revolving Credit Loans and payments in respect thereof pursuant to Sections 3.3 and 3.4) under (and ratably participated in by Lenders pursuant to) the Revolving Credit Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate amount of the unutilized Revolving Credit Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i), the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 3.8. Upon the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Letters of Credit may be reduced as agreed between the Letter of Credit Issuer and the Borrower, without the consent of any other Person.

Section 4. Fees

4.1 Fees.

(a) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for the account of each Revolving Credit Lender (in each case pro rata according to the respective Revolving Credit Commitments of all such Lenders), a commitment fee (the "**Commitment Fee**") for each day from the Restatement Effective Date to the Revolving Credit Termination Date. Each Commitment Fee shall be payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower (for the quarterly period (or portion thereof) ended on the day prior to such day for which no payment has been received) and (y) on the Revolving Credit Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (x) above), and shall be computed for each day during such period at a rate per annum equal to the Commitment Fee Rate in effect on such day on the Available Commitment in effect on such day.

(b) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Revolving Credit Lenders pro rata on the basis of their respective Letter of Credit Exposure, a fee in respect of each Letter of Credit issued on the Borrower's or any of the other Restricted Subsidiaries' behalf (the "**Letter of Credit Fee**"), for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit computed at the per annum rate for each day equal to (i) in the case of any Letter of Credit (other than a Commercial Letter of Credit), the Applicable Margin for Revolving Credit Loans that are LIBOR Loans less the Fronting Fee set forth in clause (d) below and (ii) in the case of any Commercial Letter of Credit, 1.00%. Except as provided below, such Letter of Credit Fees shall be due and payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(c) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for its own account, administrative agent fees as have been previously agreed in writing or as may be agreed in writing from time to time.

(d) Without duplication, the Borrower agree to pay to the Letter of Credit Issuer a fee in Dollars in respect of each Letter of Credit issued by it to the Borrower (the "**Fronting Fee**") (i) with respect to each commercial Letter of Credit, at the rate of 0.125%, computed on the amount of such Letter of Credit, and (ii) with respect to each standby Letter of Credit, for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit, computed at the rate for each day equal to 0.125% per annum on the average daily Stated Amount of such Letter of Credit (or at such other rate per annum as agreed in writing between the Borrower and the Letter of Credit Issuer). Such Fronting Fees shall be due and payable (x) quarterly in arrears on the first day of each fiscal quarter of the Borrower and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(e) Without duplication, the Borrower agree to pay directly to the Letter of Credit Issuer in Dollars upon each issuance or renewal of, drawing under, and/or amendment of, a Letter of Credit issued by it such amount as shall at the time of such issuance or renewal of, drawing under, and/or amendment be the processing charge that the Letter of Credit Issuer is customarily charging for issuances or renewals of, drawings under or amendments of, letters of credit issued by it.

(f) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

4.2 Voluntary Reduction of Revolving Credit Commitments. Upon at least two Business Days' prior written notice to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, without premium or penalty, on any day, permanently to terminate or reduce the Revolving Credit Commitments in whole or in part; provided that (a) any such reduction shall apply proportionately and permanently to reduce the Revolving Credit Commitment of each of the Lenders of any applicable Class, except that (i) notwithstanding the foregoing, in connection with the establishment on any date of any Incremental Commitments pursuant to Section 2.14(a), the Revolving Credit Commitments of any one or more Lenders providing any such Incremental Commitments on such date shall be reduced in an amount equal to the amount of Revolving Credit Commitments so extended on such date (provided that (x) after giving effect to any such reduction and to the repayment of any Revolving Credit Loans made on such date, the Revolving Credit Exposure of any such Lender does not exceed the Revolving Credit Commitment thereof and (y) for the avoidance of doubt, any such repayment of Revolving Credit Loans contemplated by the preceding clause shall be made in compliance with the requirements of Section 5.3(a) with respect to the ratable allocation of payments hereunder, with such allocation being determined after giving effect to any conversion

pursuant to Section 2.14(a) of Revolving Credit Commitments and Revolving Credit Loans into Incremental Commitments and Incremental Revolving Credit Loans pursuant to Section 2.14(a) prior to any reduction being made to the Revolving Credit Commitment of any other Lender) and (ii) the Borrower may at its election permanently reduce the Revolving Credit Commitment of a Defaulting Lender to $0 without affecting the Revolving Credit Commitments of any other Lender, (b) any partial reduction pursuant to ~~this~~ Section 4.2(a) shall be in the amount of at least $5,000,000, and (c) after giving effect to such termination or reduction and to any prepayments of the Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Revolving Credit Exposures shall not exceed the Total Revolving Credit Commitment and the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class shall not exceed the aggregate Revolving Credit Commitment of such Class.

4.3 Mandatory Termination of Commitments.

(a) The Revolving Credit Commitment shall terminate at 5:00 p.m. (New York City time) on the Revolving Credit Maturity Date.

(b) The Swingline Commitment shall terminate at 5:00 p.m. (New York City time) on the Swingline Maturity Date.

Section 5. Payments

5.1 Voluntary Prepayments.

(a) The Borrower shall have the right to prepay Loans, including Revolving Credit Loans and Swingline Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (1) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than 12:00 noon (New York City time) (i) in the case of LIBOR Loans, ~~three~~two Business Days prior to, (ii) in the case of ABR Loans (other than Swingline Loans), one Business Day prior to, or (iii) in the case of Swingline Loans, on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders or the Swingline Lender, as the case may be; (2) each partial prepayment of (i) any Borrowing of LIBOR Loans shall be in a minimum amount of $5,000,000 and in multiples of $1,000,000 in excess thereof, (ii) any ABR Loans (other than Swingline Loans) shall be in a minimum amount of $1,000,000 and in multiples of $100,000 in excess thereof, and (iii) Swingline Loans shall be in a minimum amount of $500,000 and in multiplies of $100,000 in excess thereof; provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such LIBOR Loans, and (3) in the case of any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto, the Borrower shall, promptly after receipt of a written request by any applicable Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Revolving Credit Loan of a Defaulting Lender.

5.2 Mandatory Prepayments.

(a) [Reserved].

(b) Repayment of Revolving Credit Loans. Except for Protective Advances and Overadvance Loans permitted under Section 2.15, if at any time on any date the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class of Revolving Loans for any reason exceeds the Maximum Borrowing Amount, at such time, the Borrower shall forthwith repay on such date Revolving Loans of such Class in an amount equal to such excess. If after giving effect to the prepayment of all outstanding Revolving Loans of such Class, the Revolving Credit Exposures of such Class exceed the Revolving Credit Commitment of such Class then in effect, the Borrower shall Cash Collateralize the Letters of Credit Outstanding in relation to such Class to the extent of such excess.

(c) [Reserved].

(d) [Reserved].

(e) Application to Revolving Credit Loans. With respect to each prepayment of Revolving Credit Loans, the Borrower may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made and (ii) the Revolving Loans to be prepaid, provided that (y) each prepayment of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans; and (z) notwithstanding the provisions of the preceding clause (y), no prepayment of Revolving Loans shall be applied to the Revolving Credit Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

5.3 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto (or in the case of the Swingline Loans, to the Swingline Lender) or the Letter of Credit Issuer entitled thereto, as the case may be, not later than 12:00 noon (New York City time), in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower (or, in the case of the Swingline Loans, at such office as the Swingline Lender shall specify for such purpose by notice to the Borrower), it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall, unless otherwise specified in such Credit Document, be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 12:00 noon (New York City time) or, otherwise, on the next Business Day in the Administrative Agent's sole discretion) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 12:00 noon (New York City time) may be deemed to have been made on the next succeeding Business Day in the Administrative Agent's sole discretion for purposes of calculating interest thereon (or, in the case of Swingline Loans, at the Swingline Lender's sole discretion). Except as otherwise provided herein, whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes.

(ii) If any applicable Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 5.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholding or deductions been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or timely reimburse the Administrative Agent or any Lender for the payment of any Other Taxes.

(c) Tax Indemnifications. Without limiting the provisions of subsection (a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) payable by the Administrative Agent or such Lender, as the case may be, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole determination of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it. Any resulting refund shall be governed by Section 5.4(f).

(d) Evidence of Payments. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders and Tax Documentation.

(i) Each Lender shall deliver to the Borrower and to the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. Any documentation and information required to be delivered by a Lender pursuant to this Section 5.4(e) (including any specific documentation set forth in subsection (ii) below) shall be delivered by such Lender (i) on or prior to the Restatement Effective Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before any date on which such documentation expires or becomes obsolete or invalid, (iii) promptly after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower and the Administrative Agent, and (iv) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided. Each Lender hereby authorizes the Administrative Agent to deliver to the Borrower and to any successor Administrative Agent any documentation provided to the Administrative Agent pursuant to this Section 5.4(e).

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two executed originals of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding and such other documentation or information prescribed by applicable laws or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements;

(B) each Non-U.S. Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two copies of whichever of the following is applicable:

(1) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party;

(2) executed originals of Internal Revenue Service Form W-8ECI (or any successor form thereto);

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, substantially in the form of Exhibit J-1, J-2, J-3 or J-4, as applicable, (a "**Non-Bank Tax Certificate**"), to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and that no payments under any Credit Document are effectively connected with such Non-U.S. Lender's conduct of a United States trade or business and (y) executed originals of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or any applicable successor form);

(4) where such Lender is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), executed originals of Internal Revenue Service Form W-8IMY (or any successor thereto) and all required supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the portfolio interest exemption, a Non-Bank Tax Certificate of such beneficial owner(s)) (provided that, if the Non-U.S. Lender is a partnership and not a participating Lender, the Non-Bank Tax Certificate(s) may be provided by the Non-U.S. Lender on behalf of a direct or indirect partner); or

(5) executed originals of any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in United States federal withholding Tax together with such supplementary documentation as may be prescribed by applicable laws to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made;

(C) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

(D) If the Administrative Agent is a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide the Borrower with two duly completed original copies of Internal Revenue Service Form W-9. If the Administrative Agent is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it shall provide an applicable Form W-8 (together with required accompanying documentation) with respect to payments to be received by it on behalf of the Lenders.

(iii) Notwithstanding anything to the contrary in this Section 5.4, no Lender or the Administrative Agent shall be required to deliver any documentation that it is not legally eligible to deliver.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 5.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 5.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (provided that the Administrative Agent or such Lender may delete any information therein that it reasonably deems confidential). Notwithstanding anything to the contrary in this paragraph (f), in no event will the Administrative Agent or any Lender be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than the Administrative Agent or any Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 5.4, the term "Lender" includes any Letter of Credit Issuer and any Swingline Lender and the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Credit Documents.

5.5 Computations of Interest and Fees.

(a) Except as provided in the next succeeding sentence, interest on LIBOR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees and the average daily Stated Amount of Letters of Credit shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8; provided that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the maximum rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

Section 6. Conditions Precedent to Initial Borrowing

The obligation of the Lenders to make Revolving Credit Loans, and the obligation of the Letter of Credit Issuer to issue any Letter of Credit, are in each case subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents. The Administrative Agent (or its counsel) shall have received:

(a) this Agreement, executed and delivered by a duly Authorized Officer of the Borrower, the Guarantors and each Lender;

(b) the Guarantees, executed and delivered by a duly Authorized Officer of each of the respective Guarantors;

(c) the Pledge Agreement, executed and delivered by a duly Authorized Officer of Holdings, the Borrower and each Guarantor;

(d) the Security Agreement, executed and delivered by a duly Authorized Officer of the Borrower and each Guarantor; and

(e) the ABL Intercreditor Agreement, executed and delivered by a duly Authorized Officer of each of the Administrative Agent, the Term Loan Administrative Agent and the collateral agent under the Term Loan Facility.

6.2 Collateral. Except for any items referred to on Schedule 9.14:

(a) All outstanding equity interests in whatever form of the Borrower and each Restricted Subsidiary that is directly owned by or on behalf of any Credit Party and required to be pledged pursuant to the Security Documents shall have been pledged pursuant thereto;

(b) The Collateral Agent shall have received, except to the extent delivered to the Collateral Agent under the Term Loan Facility pursuant to the Term Loan Credit Documents and ABL Intercreditor Agreement, certificates representing securities of each Credit Party's Wholly-Owned Restricted Subsidiaries and all promissory notes evidencing Indebtedness that is owing to the Borrower or any other Credit Party, in each case, to the extent required to be delivered under the Security Documents and pledged under the Security Documents to the extent certificated, accompanied by instruments of transfer and undated stock powers or allonges endorsed in blank;

(c) All Uniform Commercial Code financing statements and intellectual property security agreements required to be filed, registered or recorded to create the Liens intended to be created by any Security Document and perfect such Liens to the extent required by such Security Document shall have been delivered to the Collateral Agent, and shall be in proper form, for filing, registration or recording; and

(d) Evidence that all other actions, recordings and filings required by the Security Documents shall have been taken, completed or otherwise provided for thereunder and as provided for therein.

6.3 Legal Opinions. The Administrative Agent (or its counsel) shall have received the executed legal opinion, in customary form, of Simpson Thacher & Bartlett LLP, special New York counsel to the Credit Parties. The Borrower hereby instructs and agrees to instruct the other Credit Parties to have such counsel deliver such legal opinions.

6.4 Excess Availability; Borrowing Base Certificate. After giving effect to the Borrowings and issuance of Letters of Credit on the Restatement Effective Date, the Excess Availability on the Restatement Effective Date shall be no less than $200,000,000 and (ii) the Administrative Agent shall have received a Borrowing Base Certificate prepared as of the last day of the most recent month ended at least fifteen (15) Business Days prior to the Restatement Effective Date.

6.5 Closing Certificates. The Administrative Agent (or its counsel) shall have received a certificate of (x) each of Holdings, the Borrower and the other Guarantors, dated the Restatement Effective Date, substantially in the form of Exhibit E, with appropriate insertions, executed by any Authorized Officer and the Secretary or any Assistant Secretary of Holdings, the Borrower and each other Guarantor, as applicable, and attaching the documents referred to in Section 6.6 and (y) an Authorized Officer of the Borrower certifying compliance with Section 7.1 and certifying that, since January 31, 2015, there has not been any event, change, development, occurrence, or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.6 Authorization of Proceedings of Holdings, the Borrower and the Guarantors; Corporate Documents. The Administrative Agent shall have received (i) a copy of the resolutions of the board of directors or other managers of Holdings, the Borrower and the other Guarantors (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (b) in the case of the Borrower, the extensions of credit contemplated hereunder, (ii) the Certificate of Incorporation and By-Laws, Certificate of Formation and Operating Agreement or other comparable organizational documents, as applicable, of Holdings, the Borrower and the other Guarantors, and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of Holdings, the Borrower and the other Guarantors executing the Credit Documents to which it is a party.

6.7 Fees. The Agents and Lenders shall have received, substantially simultaneously with the initial Borrowing, fees and, to the extent invoiced at least three business days prior to the Restatement Effective Date (except as otherwise reasonably agreed by the Borrower) expenses in the amounts previously agreed in writing to be received on the Restatement Effective Date (which amounts may, at the Borrower's option, be offset against the proceeds of the initial Borrowing).

6.8 Representations and Warranties. On the Restatement Effective Date, all representations made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects.

6.9 Solvency Certificate. On the Restatement Effective Date, the Administrative Agent shall have received a certificate from the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer, the Vice President-Finance, a Director, a Manager, or any other senior financial officer of the Borrower to the effect that after giving effect to the consummation of the Transactions, the Borrower on a consolidated basis with the Restricted Subsidiaries is Solvent.

6.10 [Reserved].

6.11 Patriot Act. The Administrative Agent and the Joint Lead Arrangers shall have received at least two Business Days prior to the Restatement Effective Date such documentation and information as is reasonably requested in writing at least ten calendar days prior to the Restatement Effective Date by the Administrative Agent or the Joint Lead Arrangers about the Credit Parties to the extent required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

6.12 Financial Statements. The Joint Lead Arrangers and Bookrunners shall have received the Historical Financial Statements.

6.13 No Material Adverse Effect. Since January 31, 2015, there has not occurred any event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.14 Refinancing. Substantially simultaneously with the funding of the Initial Term Loans (as defined in the Term Loan Credit Agreement), the Restatement Effective Date Refinancing shall be consummated.

For purposes of determining compliance with the conditions specified in Section 6 on the Restatement Effective Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Restatement Effective Date specifying its objection thereto.

Section 7. Conditions Precedent to All Credit Events.

The agreement of each Lender to make any Loan requested to be made by it on any date (excluding Mandatory Borrowings and Revolving Credit Loans required to be made by the Revolving Credit Lenders in respect of Unpaid Drawings pursuant to Sections 3.3 and 3.4) and the obligation of the Letter of Credit Issuers to issue Letters of Credit on any date is subject to the satisfaction (or waiver) of the following conditions precedent:

7.1 No Default; Representations and Warranties; No Cure Period. At the time of each Credit Event and also after giving effect thereto (other than any Credit Event on the Restatement Effective Date or pursuant to any Loan made pursuant to Section 2.14 (which shall be subject to the applicable terms of Section 2.14) (a) no Default or Event of Default shall have occurred and be continuing, (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (provided that any such representations and warranties which are qualified by materiality, material adverse effect or similar language shall be true and correct in all respects) as of such earlier date) and (c) no Cure Period shall have occurred and be continuing.

7.2 Notice of Borrowing; Letter of Credit Request.

(a) Prior to the making of each Revolving Credit Loan (other than any Revolving Credit Loan made pursuant to Section 3.4(a)) and each Swingline Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3.

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

7.3 Excess Availability. On the proposed date of such Credit Event, the amount of the proposed Borrowing or Letter of Credit issuance (together with all outstanding Borrowings and Letters of Credit Outstanding) shall not exceed the Maximum Borrowing Amount.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified in Section 7 above have been satisfied as of that time.

Section 8. Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans and issue or participate in Letters of Credit as provided for herein, the Borrower (and, with respect to Sections 8.1, 8.2, 8.3, 8.10 and 8.19 only, Holdings and each Texas Intermediate Holdco) makes the following representations and warranties to the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law):

8.1 Corporate Status. Each Credit Party and each Delaware Intermediate Holdco (a) is a duly organized and validly existing corporation, limited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Each Credit Party and each Delaware Intermediate Holdco has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party and each Delaware Intermediate Holdco has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party or Delaware Intermediate Holdco, as applicable, enforceable in accordance with its terms (provided that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent enforceability of such obligation with respect to which Capital Stock and Stock Equivalents of Foreign Subsidiaries is governed by the Uniform Commercial Code), except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

8.3 No Violation. Neither the execution, delivery or performance by any Credit Party or any Delaware Intermediate Holdco of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Transactions and the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents or Permitted Liens) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party, such Delaware Intermediate Holdco or any of the Restricted

Subsidiaries is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a "**Contractual Requirement**") other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect or (c) violate any provision of the certificate of incorporation, by-laws, articles or other organizational documents of such Credit Party, such Delaware Intermediate Holdco or any of the Restricted Subsidiaries (after giving effect to the Transactions).

8.4 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

8.5 Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of each Credit Document does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings or consents the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect.

8.7 Investment Company Act. None of the Borrower or any Restricted Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Restricted Subsidiaries or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger, and/or any Lender on or before the Restatement Effective Date (including all such written information and data contained in (i) the Lender Presentation (as updated prior to the Restatement Effective Date and including all information incorporated by reference therein) and (ii) the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates), it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include pro forma financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking statements or information) or other forward looking information and information of a general economic or general industry nature.

(b) The projections (including financial estimates, forecasts, and other forward-looking information) contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

8.9 Financial Condition; Financial Statements.

(a) (i) The unaudited historical consolidated financial information of the Borrower as set forth in the Lender Presentation, and (ii) the Historical Financial Statements, in each case present fairly in all material respects the consolidated financial position of the Borrower at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The Historical Financial Statements have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes to said financial statements.

(b) There has been no Material Adverse Effect since the Restatement Effective Date.

Each Lender and the Administrative Agent hereby acknowledges and agrees that the Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default or an Event of Default under the Credit Documents.

8.10 Compliance with Laws; No Default. Each Credit Party and each Delaware Intermediate Holdco is in compliance with all Requirements of Law applicable to it or its property, except where the failure to be so in compliance would not reasonably be expected to result in a Material Adverse Effect. No Borrowing or Letter of Credit, use of proceeds, or the Transactions will violate Anti-Corruption Laws or applicable Sanctions. No Default has occurred and is continuing.

8.11 Tax Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (a) each of the Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) with respect thereto in accordance with GAAP and (b) each of the Borrower and each of the Restricted Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) in accordance with GAAP for the payment of all Taxes not yet due and payable. There is no current or proposed Tax assessment, deficiency or other claim against the Borrower or any Restricted Subsidiary that would reasonably be expected to result in a Material Adverse Effect.

8.12 Compliance with ERISA.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, no Foreign Plan Event has occurred or is reasonably expected to occur.

8.13 Subsidiaries. Schedule 8.13 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Restatement Effective Date.

8.14 Intellectual Property. Each of the Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure to own or have a right to use such Intellectual Property would not reasonably be expected to have a Material Adverse Effect. The operation of their respective businesses by each of the Borrower and the Restricted Subsidiaries does not infringe upon, misappropriate, violate or otherwise conflict with the Intellectual Property of any third party, except as would not reasonably be expected to have a Material Adverse Effect.

8.15 Environmental Laws.

(a) Except as set forth on Schedule 8.15, or as would not reasonably be expected to have a Material Adverse Effect: (i) each of the Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of the Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of the Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of the Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 8.15, none of the Borrower or any of the Restricted Subsidiaries has treated, stored, transported, released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or formerly owned or operated property nor, to the knowledge of the Borrower, has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected to have a Material Adverse Effect.

8.16 Properties.

(a) (i) Each of the Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) and except where the failure to have such good title or interest would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and (ii) no Mortgage encumbers improved Real Estate that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the Flood Insurance Laws, unless flood insurance available under such Flood Insurance Laws has been obtained in accordance with Section 9.3(b).

(b) Set forth on Schedule 1.1(a) is a list of each real property owned by the Borrower or any Subsidiary Credit Party as of the Restatement Effective Date having a Fair Market Value in excess of the greater of
(a)$25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period.

8.17 Solvency. On the Restatement Effective Date (after giving effect to the Transactions) immediately following the making of the Loans and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with the Restricted Subsidiaries will be Solvent.

8.18 Patriot Act. On the ~~Closing~~Amendment No. 1 Effective Date, each of Holdings, the Borrower and the Restricted Subsidiaries is in compliance in all material respects with the Patriot Act, and Holdings and the Borrower have provided to the Administrative Agent all information related to Holdings, the Borrower and the Restricted Subsidiaries (including but not limited to names, addresses and tax identification numbers (if applicable)) reasonably requested in writing by the Administrative Agent and mutually agreed to be required by the Patriot Act to be obtained by the Administrative Agent or any Lender.

8.19 Security Interest in Collateral. Subject to the provisions of this Agreement and the other Credit Documents, the Credit Documents create legal, valid, and enforceable Liens on all of the Collateral in favor of the Collateral Agent, for the benefit itself and the other Secured Parties, subject, as to enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing, and upon the making of such filings and taking of such other actions required to be taken hereby or by the applicable Credit Documents (including the filing of appropriate UCC financing statements with the office of the Secretary of State of the state of organization of each Credit Party or equivalent filings under applicable foreign law, the filing of appropriate notices with the U.S. Patent and Trademark Office and the U.S. Copyright Office, and the proper recordation of Mortgages and fixture filings with respect to any Mortgaged Property, in each case in favor of the Collateral Agent for the benefit of the Secured Parties and the delivery to the Collateral Agent of any stock certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents), such Liens constitute perfected and continuing Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions subject to no other Liens (other than Liens permitted by Section 10.2).

8.20 Disclosure. As of the Amendment No. 1 Effective Date, to the knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Amendment No. 1 Effective Date to any Lender in connection with this Agreement is true and correct in all material respects.

Section 9. Affirmative Covenants.

The Borrower (and, with respect to Sections 9.11, 9.12 and 9.14 only, Holdings) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated or been collateralized in accordance with the terms of this Agreement and the Loans and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations and Letters of Credit collateralized in accordance with the terms of this Agreement), are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of each fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal years, all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern (other than any qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date under any Indebtedness, (ii) any potential inability to satisfy a financial maintenance covenant (including Section 10.7) on a future date or in a future period or (iii) the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiary).

(b) Quarterly Financial Statements. As soon as available and in any event within five days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 45 days after the end of each such fiscal quarterly accounting period), the consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of such quarterly period and the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of the applicable quarterly period, and, commencing with the quarter ending August 1, 2015, setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the related period in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Restricted Subsidiaries in accordance with GAAP (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes.

(c) Budgets. Prior to an IPO, within 90 days after the commencement of each fiscal year of the Borrower, a consolidated budget of the Borrower in reasonable detail on a quarterly basis for such fiscal year as customarily prepared by management of the Borrower for its internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting forth the principal assumptions upon which such budget is based (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Borrower stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time of preparation of such Projections, it being understood and agreed that such Projections and assumptions as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material.

(d) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 9.1(a) and (b), (A) a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth (i) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively,

provided to the Lenders on the Restatement Effective Date or the most recent fiscal year or period, as the case may be, and (B) a Compliance Certificate setting forth the Fixed Charge Coverage Ratio for the last Test Period regardless of whether a Compliance Period exists. At the time of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) to the Person organized in a jurisdiction where an organizational identification number is required to be included in a Uniform Commercial Code financing statement, in each case for each Credit Party or confirming that there has been no change in such information since the Restatement Effective Date or the date of the most recent certificate delivered pursuant to this clause (d), as the case may be.

(e) Notice of ~~Default or Litigation~~Material Events. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and, (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that would reasonably be expected to be determined adversely and, if so determined, to result in a Material Adverse Effect and (iii) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in part 1 of such certification.

(f) Environmental Matters. Promptly after an Authorized Officer of the Borrower or any of the Restricted Subsidiaries obtains knowledge of any one or more of the following environmental matters, unless such environmental matters would not reasonably be expected to result in a Material Adverse Effect, notice of:

(i) any pending or threatened Environmental Claim against any Credit Party or any Real Estate; and

(ii) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, Release or threatened Release of any Hazardous Material on, at, under or from any Real Estate.

All such notices shall describe in reasonable detail the nature of the claim, investigation or removal, remedial or other corrective action in response thereto. The term "**Real Estate**" shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

(g) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements (other than drafts of pre-effective versions of registration statements) with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Restricted Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices, and reports that the Borrower or any of the Restricted Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Restricted Subsidiaries, in their capacity as such holders, lenders or agents (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement), and, with reasonable promptness, (x) such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation; provided that none of the Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective contractors) is prohibited by law, or any binding agreement, (iii) that is subject to attorney client or similar privilege or constitutes attorney work product or (iv) that is otherwise subject to Section 13.16 or the limitations set forth in Section 9.2.

(h) Borrowing Base Certificate. As soon as available but in any event on or prior to 15th Business Day following the end of the previous fiscal month beginning with the first fiscal month ending after the Restatement Effective Date, a Borrowing Base Certificate as of the close of business on the last day of the immediately preceding fiscal month, substantially in the form of Exhibit N hereto; provided that the Borrower may elect to deliver the Borrowing Base Certificate on a more frequent basis but if such election is exercised, it must be continued until the date that is 30 days after the date of such election (with a frequency equal to that of the initial additional Borrowing Base Certificate delivered by the Borrower for such period); provided, further, that upon the commencement and during the continuance of a Weekly Reporting Period, the Borrower shall deliver a Weekly Borrowing Base Certificate and such supporting information on Wednesday of each week (or if Wednesday is not a Business Day, on the next succeeding Business Day), as of the close of business on the immediately preceding Saturday; provided, further, that upon the sale or other disposition of Collateral of any Credit Party included in the Borrowing Base outside of the ordinary course of business yielding net cash proceeds of $50,000,000 or more, the Borrower shall also furnish an updated Borrowing Base Certificate giving pro forma effect thereto promptly upon the receipt of the net cash proceeds from such sale or other disposition.

Documents required to be delivered pursuant to clauses (a), (b), and (g) of this Section 9.1 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet; (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another 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), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov; provided that (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and its Restricted Subsidiaries by furnishing (A) the Form 10-K or 10-Q (or the equivalent), as applicable, of the Borrower (or a parent company thereof) filed with the SEC or with a similar regulatory authority in a foreign jurisdiction or (B) the applicable financial statements of Holdings (or any direct or indirect parent of Holdings); provided that to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

Each Credit Party hereby acknowledges and agrees that, unless the Borrower notifies the Administrative Agent in advance, all financial statements and certificates furnished pursuant to Sections 9.1(a), (b) and (d) above are hereby deemed to be suitable for distribution, and to be made available, to all Lenders and may be treated by the Administrative Agent and the Lenders as not containing any material nonpublic information.

9.2 Books, Records, and Inspections; Field Examinations.

(a) The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the

Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, and appraisers, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, excluding any such visits and inspections during the continuation of an Event of Default, (a) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (b) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at the Borrower's expense, and (c) notwithstanding anything to the contrary in this Section 9.2, none of the Borrower or any of the Restricted Subsidiaries 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 (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any agreement binding on a third-party or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower independent public accountants.

(b) At reasonable times during normal business hours and upon reasonable prior notice that the Administrative Agent requests, independently of or in connection with the visits and inspections provided for in clause (a) above, the Administrative Agent may conduct (or engage third parties to conduct) such field examinations, verifications and evaluations as the Administrative Agent may deem necessary or appropriate; provided that in any calendar year, the Borrower shall only be required to cover the costs of one such periodic field examinations and one such inventory appraisal, except as follows:

(i) if Excess Availability has for any five consecutive Business Days been less than the greater of (x) 17.5% of the Maximum Borrowing Amount and (y) $~~70,000,000,~~105,000,000, no more than two such appraisals and two such field examinations shall be at the Borrower's expense during the following 12-calendar month period; and

(ii) at any time after the occurrence and during the continuation of a Specified Default, as many field examinations as shall be determined by the Administrative Agent in its Permitted Discretion at the Borrower's expense.

The Administrative Agent shall provide the Borrower with a reasonably detailed accounting of all such expenses payable by the Borrower.

(c) The Credit Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Credit Parties' assets for internal use by the Administrative Agent and the Lenders, subject to the provisions of Section 13.6.

9.3 Maintenance of Insurance. (a) The Borrower will, and will cause each Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried and (b) with respect to each Mortgaged Property~~, the Borrower will obtain flood insurance in such form and in such total amount as may reasonably be required by the Collateral Agent, if at any time the area in which any improvements located on any Mortgaged Property is designated a "special flood hazard area" in any Flood Insurance Rate Map published~~ that is located in an area identified by the Federal Emergency Management

Agency (or any successor agency)~~, and otherwise comply with the Flood Insurance Laws~~ as a "special flood hazard area"with respect to which flood insurance has been made available under Flood Insurance Laws, the applicable Credit Party (i) has obtained and will maintain, with financially sound and reputable insurance companies (except to the extent that any insurance company insuring the Mortgaged Property of the Credit Party ceases to be financially sound and reputable after the Closing Date, in which case, the Borrower shall promptly replace such insurance company with a financially sound and reputable insurance company), such flood insurance in such reasonable total amount as the Administrative Agent and the Lenders may from time to time reasonably require, and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) promptly upon request of the Administrative Agent or any Lender, will deliver to the Administrative Agent or such Lender, as applicable, evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent and such Lender, including, without limitation, evidence of annual renewals of such insurance. Each such policy of insurance shall (i) name the Collateral Agent, on behalf of the Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a mortgagee/loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties as the mortgagee/loss payee thereunder.

9.4 Payment of Taxes. The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it (including in its capacity as a withholding agent) or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Restricted Subsidiaries; provided that neither the Borrower nor any of the Restricted Subsidiaries shall be required to pay any such Tax that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto in accordance with GAAP or the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

9.5 Preservation of Existence; Consolidated Corporate Franchises. The Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Permitted Investments and Sections 10.2, 10.3, 10.4, or 10.5.

9.6 Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Restricted Subsidiary to, (a) comply with all applicable laws, rules, regulations, and orders applicable to it or its property, including, without limitation, applicable laws administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations promulgated thereunder, and all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, (b) comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws, and (c) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives which are being timely contested in good faith by proper proceedings, except in each case of (a), (b), and (c) of this Section 9.6, where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

9.7 ERISA. (a) The Borrower will furnish to the Administrative Agent promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Credit Party or any of its Subsidiaries may request with respect to any Multiemployer Plan to which a Credit Party or any of its Subsidiaries is obligated to contribute; provided that if the Credit Parties or any of their Subsidiaries have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Credit Parties shall promptly make a request for such documents or notices

from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; provided, further, that the rights granted to the Administrative Agent in this Section shall be exercised not more than once during a 12-month period, and (b) the Borrower will notify the Administrative Agent promptly following the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, would reasonably be expected to result in liability of any Credit Party that would reasonably be expected to have a Material Adverse Effect.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, (i) keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted and (ii) prosecute, maintain, enforce and protect its Intellectual Property material to the conduct of its business, except, in each case, to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower and the Restricted Subsidiaries) involving aggregate payments or consideration in excess of $25,000,000 at the time of such Affiliate transaction, for any individual transaction or series of related transactions on terms that are at least substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, as determined by the board of directors of the Borrower or such Restricted Subsidiary in good faith; provided that the foregoing restrictions shall not apply to (a) the payment of fees to the Sponsor for management, consulting and financial services rendered to the Borrower and the Restricted Subsidiaries pursuant to the Sponsor Management Agreement and customary investment banking fees paid to the Sponsor for services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions which payments are approved by a majority of the board of directors of the Borrower in good faith, (b) transactions permitted by Section 10.5, (c) consummation of the Transactions and the payment of the Transaction Expenses, (d) the issuance of Capital Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents, (e) loans, advances and other transactions between or among the Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which the Borrower or any Subsidiary has invested (and which Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or a Subsidiary's ownership of Capital Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers, employees or consultants (including management and employee benefit plans or agreements, stock option plans and other compensatory arrangements) in the ordinary course of business (including loans and advances in connection therewith), (g) payments by the Borrower (and any direct or indirect parent thereof) and the Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Subsidiaries that are permitted under Section 10.5(b)(15); provided that in each case the amount of such payments in any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such direct or indirect parent company of the Borrower, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers or employees of the Borrower (or any direct or indirect parent thereof) and the Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Subsidiaries, (i) transactions undertaken pursuant to membership in a purchasing consortium, (j) transactions pursuant to any agreement or arrangement as in effect as of the Restatement Effective Date, or any amendment, modification, supplement or replacement thereto (so long as any such amendment, modification, supplement or replacement is not disadvantageous in any material respect to the Lenders when taken as a whole as compared to the applicable agreement as in effect on the Restatement Effective Date as determined by the Borrower in good faith), (k) customary payments by the Borrower (or any direct or indirect parent) and any Restricted Subsidiaries to the Sponsor made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), (l) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such

Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in contemplation of such designation or redesignation, as applicable, (m) Affiliate repurchases of the Loans or Commitments to the extent permitted hereunder and the holding of such Loans or Commitments and the payments and other transactions contemplated herein in respect thereof, (n) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility and (o) undertaking or consummating any IPO Reorganization Transactions.

9.10 End of Fiscal Years. The Borrower will, for financial reporting purposes, cause each of its, and each of the Restricted Subsidiaries', fiscal years to end on dates consistent with past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent change the financial reporting convention specified above to (x) align the dates of such fiscal year and for any Restricted Subsidiary whose fiscal years end on dates different from those of the Borrower or (y) any other financial reporting convention (including a change of fiscal year) reasonably acceptable (such consent not to be unreasonably withheld or delayed) to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors. Subject to any applicable limitations set forth in the Security Documents, (x) the Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the Closing Date (including pursuant to a Permitted Acquisition) and the Borrower will cause each other Subsidiary that ceases to constitute an Excluded Subsidiary and (y) subject to Section 9.14 in the case of the Delaware Intermediate Holdcos, Holdings will cause each direct or indirect Subsidiary (other than the Borrower and its Subsidiaries) formed or otherwise purchased or acquired after the Closing Date that directly or indirectly through a Subsidiary own or holds any Capital Stock or Stock Equivalents of the Borrower or that is a Delaware Intermediate Holdco that is required to Guarantee the Obligations pursuant to Section 9.14, in each case, within 60 days from the date of such formation, acquisition or cessation (or, in the case of the Delaware Intermediate Holdcos, the period set forth in Section 9.14), as applicable (or such longer period as the Administrative Agent may agree in its reasonable discretion), and the Borrower may at its option cause any other Subsidiary, to execute a supplement to each of the Guarantee, the Pledge Agreement and the Security Agreement in order to become a Guarantor under the Guarantee and a grantor under such Security Documents or, to the extent reasonably requested by the Collateral Agent, enter into a new Security Document substantially consistent with the analogous existing Security Documents and otherwise in form and substance reasonably satisfactory to the Collateral Agent and take all other action reasonably requested by the Collateral Agent to grant a perfected security interest in its assets to substantially the same extent as created and perfected by the Borrower and the Subsidiary Credit Parties (or in the case of clause (y) above, to substantially the same extent as created and perfected by Holdings and the Texas Intermediate Holdcos) on the Closing Date and pursuant to Section 9.14(d) in the case of such Credit Parties. For the avoidance of doubt, no Credit Party or any Restricted Subsidiary that is a Domestic Subsidiary shall be required to take any action outside the United States to perfect any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, any State thereof or the District of Columbia).

9.12 Pledge of Additional Stock and Evidence of Indebtedness. Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, Holdings will cause (i) all certificates representing Capital Stock and Stock Equivalents of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by Holdings or any other Credit Party, (ii) all evidences of Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of any disposition of assets pursuant to Section 10.4(b) received by Holdings, the Borrower or any of the Guarantors in connection with any disposition of assets pursuant to Section 10.4(b), and (iii) any promissory notes executed after the Closing Date evidencing Indebtedness in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such promissory note is executed of Holdings or any Subsidiary that is owing to Holdings or any other Credit Party, in each case, to be delivered to the Collateral Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the

terms of the Security Documents. Notwithstanding the foregoing any promissory note among the Borrower and/or its Subsidiaries need not be delivered to the Collateral Agent so long as (i) a global intercompany note superseding such promissory note has been delivered to the Collateral Agent, (ii) such promissory note is not delivered to any other party other than the Borrower or any Subsidiary Credit Party, in each case, owed money thereunder, and (iii) such promissory note indicates on its face that it is subject to the security interest of the Collateral Agent.

9.13 Use of Proceeds.

(a) The Borrower will use Letters of Credit and Revolving Loans for working capital and general corporate purposes (including to finance the Transactions and any transaction not prohibited by the Credit Documents).

(b) The Borrower will not request any Borrowing or Letter of Credit, and each Credit Party shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit in any manner that would result in the violation of any Anti-Corruption Laws or Sanctions applicable to any party hereto.

9.14 Further Assurances.

(a) Subject to the terms of Sections 9.11 and 9.12, this Section 9.14 and the Security Documents, Holdings will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements, and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust, and other documents) that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, if any assets (other than Excluded Property) (including any real estate or improvements thereto or any interest therein but excluding any real estate which the applicable Credit Party intends to dispose of pursuant to a Permitted Sale Leaseback so long as actually disposed of within 270 days of acquisition (or such longer period as the Administrative Agent may reasonably agree)) with a book value in excess of the greater of (a) $25,000,000 and (b) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (at the time of acquisition) are acquired by the Borrower or any other Subsidiary Credit Party after the Closing Date (other than assets constituting Collateral under a Security Document that become subject to the Lien of the applicable Security Document upon acquisition thereof) that are of a nature secured by a Security Document or that constitute a fee interest in real property in the United States, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the Obligations (provided, however, that in the event any Mortgage delivered pursuant to this clause

(b) shall incur any mortgage recording tax or similar charges in connection with the recording thereof, such Mortgage shall not secure an amount in excess of the Fair Market Value of the applicable Mortgaged Property) and will take, and cause the other applicable Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 90 days, unless extended by the Administrative Agent in its sole discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.14.

(c) Any Mortgage delivered to the Administrative Agent in accordance with the preceding clause (b) shall, if requested by the Collateral Agent, be received as soon as commercially reasonable but in no event later than 90 days (except as set forth in the preceding clause (b)), unless extended by the Administrative Agent acting reasonably and accompanied by (x) a policy or policies (or an unconditional binding commitment therefor to be replaced by a final title policy) of title insurance issued by a nationally recognized title insurance company, in such amounts as reasonably acceptable to the Administrative Agent not to exceed the Fair Market Value of the applicable

Mortgaged Property, insuring the Lien of each Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 10.2 or as otherwise permitted by the Administrative Agent and otherwise in form and substance reasonably acceptable to the Administrative Agent, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request but only to the extent such endorsements are (i) available in the relevant jurisdiction (provided in no event shall the Administrative Agent request a creditors' rights endorsement) and (ii) available at commercially reasonable rates, (y) an opinion of local counsel to the applicable Credit Party in form and substance reasonably acceptable to the Administrative Agent, (z) a completed "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination, and if any improvements on such Mortgaged Property are located in a special flood hazard area, (i) a notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Credit Parties and (ii) evidence of insurance required by Section 9.3 in form and substance reasonably satisfactory to the Administrative Agent, and (aa) an ALTA survey in a form and substance reasonably acceptable to the Collateral Agent or such existing survey together with a no-change affidavit sufficient for the title company to remove all standard survey exceptions from the Title Policy related to such Mortgaged Property and issue the endorsements required in (x) above. Notwithstanding the foregoing, the Administrative Agent shall not enter into any Mortgage in respect of any real property acquired by the Borrower or any other Credit Party after the Closing Date until (1) the date that occurs 45 days after the Administrative Agent has delivered to the Lenders (which may be delivered electronically) the following documents in respect of such real property: (i) a completed flood hazard determination from a third party vendor; (ii) if such real property is located in a "special flood hazard area", (A) a notification to the Borrower (or applicable Credit Party) of that fact and (if applicable) notification to the Borrower(or applicable Credit Party) that flood insurance coverage is not available and (B) evidence of the receipt by the Borrower (or applicable Credit Party) of such notice; and (iii) if such notice is required to be provided to the Borrower (or applicable Credit Party) and flood insurance is available in the community in which such real property is located, evidence of required flood insurance and (2) the Administrative Agent shall have received written confirmation from the Lenders that the flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably conditioned, withheld or delayed).

(d) Post-Closing Covenant. The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.14 as soon as commercially reasonable and by no later than the date set forth in Schedule 9.14 with respect to such action or such later date as the Administrative Agent may reasonably agree.

9.15 Lines of Business. The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Subsidiaries, taken as a whole, on the Restatement Effective Date and other business activities which are extensions thereof or otherwise incidental, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment).

9.16 Cash Management.

(a) (i) Each Credit Party shall use commercially reasonable efforts to enter into control agreements (each, a "**Blocked Account Agreement**") as soon as possible after the Restatement Effective Date and, in any event, shall have actually entered into such Blocked Account Agreements within 120 days after the Restatement Effective Date (or such later date approved by the Administrative Agent in its reasonable discretion), in a form reasonably satisfactory to the Administrative Agent, with the Administrative Agent and each other bank with which such Credit Party maintains a DDA located in the United States (other than an Excluded Account) (collectively, the "**Blocked Accounts**"); and (ii) upon delivery of such Blocked Account Agreements referred to in clause (i), the Borrower shall provide a schedule of DDAs, indicating for each DDA if such DDA is required to be subject to a Blocked Account Agreement pursuant to the Credit Documents; provided that, if Blocked Account Agreements with respect to each Blocked Account are not delivered to the Administrative Agent within 120 days after the Restatement Effective Date, each Credit Party shall move any such Account to the Administrative Agent or another depositary, subject to a Blocked Account Agreement in favor of the Administrative Agent.

(b) The Borrower agrees that it will cause all proceeds of the ABL Priority Collateral (other than the Uncontrolled Cash and subject to clause (c) below) to be deposited into a Blocked Account.

(c) Each Blocked Account Agreement of a Credit Party shall require (only during the continuance of a Cash Dominion Period and following delivery of notice of the commencement thereof from the Administrative Agent to the Borrower and the account bank party to such instrument or agreement; provided that such notice shall not be delivered earlier than two Business Days following the start of a Cash Dominion Period), the ACH or wire transfer no less frequently than once per Business Day (but without limit on frequency if the Maturity Date shall have actually occurred), of all available cash balances and cash receipts, including the then contents or then entire ledger balance of each Blocked Account (net of such minimum balance as may be required to be maintained in the subject Blocked Account by the bank at which such Blocked Account is maintained and other than any Uncontrolled Cash), to one or more accounts maintained by the Administrative Agent (the "**Payment Accounts**"). Subject to the terms of the ABL Intercreditor Agreement, all amounts received in a Payment Account or such other account shall be applied (and allocated) by the Administrative Agent in accordance with Section 11.13 (except (A) pursuant to clause (i) thereof and (B) to Secured Cash Management Obligations and Secured Hedge Obligations).

(d) If, at any time after the occurrence and during the continuance of a Cash Dominion Period, any cash or Cash Equivalents owned by any Credit Party (other than (i) with respect to a Cash Dominion Period, an amount equal to the aggregate amount of cash and Cash Equivalents collected in Blocked Accounts during the first two Business Days of such Cash Dominion Period and that is on deposit in a segregated DDA which the Borrower designates in writing to the Administrative Agent as being the "uncontrolled cash account" (each such account, a "**Designated Disbursement Account**" and collectively, the "**Designated Disbursement Accounts**"), which funds shall not thereafter be funded from, or when withdrawn from the Designated Disbursement Accounts, shall not be replenished by, funds constituting proceeds of the ABL Priority Collateral so long as such Cash Dominion Period continues, (ii) de minimis Permitted Investments from time to time inadvertently misapplied by any Credit Party, (iii) segregated accounts that are subject to Liens permitted pursuant to clauses (i) through (iv) of the definition of Permitted Liens and to the extent that, and for so long as, a grant of a security interest therein would violate or invalidate the agreement giving rise to such permitted lien and (iv) payroll, trust and tax withholding accounts funded in the ordinary course of business and required by applicable Law and (each such account described in clauses (i) through (iv), an "**Excluded Account**") are deposited to any account, or held or invested in any manner, otherwise than in a Blocked Account subject to a Blocked Account Agreement (or a DDA which swept daily to a Blocked Account) or a lockbox, the Administrative Agent shall be entitled to require the applicable Credit Party to close such account and have all funds therein transferred to a Blocked Account, and to cause all future deposits to be made to a Blocked Account.

(e) The Credit Parties may close DDAs or Blocked Accounts and/or open new DDAs or Blocked Accounts without the Administrative Agent's consent, subject to the prompt execution and delivery to the Administrative Agent of a Blocked Account Agreement to the extent required by the provisions of this Section ~~9.17~~9.16. The Credit Parties may open or close Excluded Accounts at any time, without requirement of delivery of a Blocked Account Agreement without consent of the Administrative Agent.

(f) So long as no Cash Dominion Period is in effect, the Credit Parties may direct, and shall have sole control over, the manner of disposition of funds in their respective Blocked Accounts.

(g) (i) Any amounts received in the Payment Accounts (including all interest and other earnings with respect thereto, if any) at any time after the payment in full of all Obligations (other than contingent indemnification obligations as to which no claim has been asserted and Secured Cash Management Obligations and Secured Hedge Obligations) and termination of the aggregate Commitments hereunder and (ii) any amounts that continue to be swept to the Payment Accounts after no Cash Dominion Period exists, shall, in each case, be remitted to the operating account of the Borrower as specified by the Borrower.

Section 10. Negative Covenants.

The Borrower (and, with respect to Section 10.7 only, Holdings and each Intermediate Holdco) hereby covenants and agrees that on the Restatement Effective Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated or be collateralized in accordance with the terms of this Agreement and the Loans and Unpaid Drawings, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent indemnity obligations, Secured Hedge Obligations and Secured Cash Management Obligations and Letters of Credit, collateralized in accordance with the terms of this Agreement), are paid in full:

10.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of its Restricted Subsidiaries to create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Guarantors, preferred stock; provided that the Borrower and its Restricted Subsidiaries may incur unsecured Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred stock; provided further that, only if the Payment Conditions are not satisfied, the final maturity of any such unsecured Indebtedness (including Acquired Indebtedness) shall not occur, and no such unsecured Indebtedness (including Acquired Indebtedness) shall require mandatory commitment reductions (other than customary amortization payments) prior to, the Latest Maturity Date.

The foregoing limitations will not apply to:

(a) Indebtedness arising under the Credit Documents;

(b) (i) Indebtedness represented by the Term Loan Facility and any guarantee thereof in an aggregate principal amount (together with any Refinancing Indebtedness in respect thereof and all accrued interest, fees and expenses) not to exceed the sum of (A) $1,825,000,000 and (B) the Maximum Incremental Facilities Amount (as defined in the Term Loan Credit Agreement) as of the date of such incurrence and (ii) Indebtedness represented by the Existing Finco Notes and Existing Senior Notes and any guarantee thereof; provided that such Existing Finco Notes and Existing Senior Notes have been defeased;

(c) (i) Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Restatement Effective Date listed on Schedule 10.1 (other than intercompany Indebtedness owed by a Credit Party to another Credit Party);

(d) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock incurred by the Borrower or any Restricted Subsidiary, to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of the Borrower or any Restricted Subsidiary under or pursuant to any "synthetic lease" transactions to on-balance sheet Indebtedness of the Borrower or such Restricted Subsidiary, in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (d) and all Refinancing Indebtedness incurred to refinance any other Indebtedness, Disqualified Stock and preferred stock incurred pursuant to this clause

(d) does not exceed the greater of (x) $150,000,000 and (y) 35% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence; provided that Capitalized Lease Obligations incurred by the Borrower or any Restricted Subsidiary pursuant to this clause

(d) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitation so long as the proceeds of such Permitted Sale Leaseback are used by the Borrower or such Restricted Subsidiary to permanently repay outstanding Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback (excluding any Lien ranking junior to the Lien securing the Obligations);

(e) Indebtedness incurred by the Borrower or any Restricted Subsidiary (including letter of credit obligations consistent with past practice constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, deferred compensation, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(f) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary or other Person, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Borrower to a Restricted Subsidiary; provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is subordinated in right of payment to the Obligations; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(h) Indebtedness of a Restricted Subsidiary owing to another Restricted Subsidiary or the Borrower; provided that if a Subsidiary Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Subsidiary Guarantor as the case may be; provided, further, that any subsequent transfer of any such Indebtedness (except to the Borrower or another Subsidiary Guarantor) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(i) shares of preferred stock of a Restricted Subsidiary issued to the Borrower or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred stock (except to the Borrower or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of preferred stock not permitted by this clause;

(j) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(k) (i) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or (ii) obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;

(l) (i) Indebtedness, Disqualified Stock and preferred stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference (together with any Refinancing Indebtedness in respect thereof) up to 100% of the net cash proceeds received by the Borrower since immediately after the Restatement Effective Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than Excluded Contributions, any Cure Amount or proceeds of Disqualified Stock or sales of Equity Interests to any of the Borrower's Subsidiaries) as determined in accordance with Sections 10.5(a)(iii)(B) and 10.5(a)(iii)(C) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 10.5(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (a) and (c) of the definition thereof) and (ii) Indebtedness, Disqualified Stock or preferred stock of the Borrower or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (l)(ii), does not at any one time outstanding exceed the greater of (x) $205,000,000 and (y) 50% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence (it being

understood that any Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this clause (l)(ii) shall cease to be deemed incurred or outstanding for purposes of this clause (l)(ii) but shall be deemed incurred for the purposes of the first paragraph of this Section 10.1 from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or preferred stock under the first paragraph of this Section 10.1 without reliance on this clause (l)(ii));

(m) the incurrence or issuance by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred stock which serves to refinance any Indebtedness, Disqualified Stock or preferred stock incurred as permitted under the first paragraph of this Section 10.1 and clauses (b) and (c) above, clause (l)(i) and this clause (m) below or any Indebtedness, Disqualified Stock or preferred stock issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, "**refinance**") such Indebtedness, Disqualified Stock or preferred stock (the "**Refinancing Indebtedness**") prior to its respective maturity; provided that such Refinancing Indebtedness

(1) has a weighted average life to maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining weighted average life to maturity of the Indebtedness, Disqualified Stock or preferred stock being refinanced, (2) to the extent such Refinancing Indebtedness refinances (i) Indebtedness that is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, such Refinancing Indebtedness is unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, (ii) Disqualified Stock or preferred stock, such Refinancing Indebtedness must be Disqualified Stock or preferred stock, respectively, and (iii) Indebtedness subordinated to the Obligations, such Refinancing Indebtedness is subordinated to the Obligations at least to the same extent as the Indebtedness being refinanced and (3) shall not include Indebtedness, Disqualified Stock or preferred stock of a Subsidiary of the Borrower that is not a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or preferred stock of the Borrower or a Subsidiary Guarantor;

(n) Indebtedness, Disqualified Stock or preferred stock of (x) the Borrower or a Restricted Subsidiary incurred or issued to finance an acquisition, merger, or consolidation; provided that the amount of Indebtedness (other than Acquired Indebtedness), Disqualified Stock and preferred stock that may be incurred pursuant to the foregoing, together with any amounts incurred under the first paragraph of this Section 10.1 by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (i) $165,000,000 and (ii) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at any one time outstanding, or (y) Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that after giving effect to any such acquisition, merger, consolidation or designation described in this clause (n), (i) either (1) the Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of the Borrower and the Restricted Subsidiaries (calculated on a pro forma basis) would be at least 2.00 to 1.00 or (2) the Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of the Borrower and the Restricted Subsidiaries is equal to or greater than that immediately prior to such acquisition, merger, consolidation or designation or (ii) either (1) the Consolidated Total Debt to Consolidated EBITDA Ratio (calculated on a Pro Forma Basis) shall be either (A) less than or equal to the Consolidated Total Debt to Consolidated EBITDA Ratio immediate prior to such acquisition, merger, consolidation or designation or (2) less than or equal to 6.25:1.00; provided further that any such Indebtedness incurred under this clause (n) (x) shall not take the form of a separate asset based lending facility and (y) shall not be secured by a first priority lien on the ABL Priority Collateral;

(o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(p) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(q) (1) any guarantee by the Borrower or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee, (2) any guarantee by a Restricted Subsidiary of Indebtedness of the Borrower or (3) any co-issuance by Academy Finance Corporation of Indebtedness of the Borrower;

(r) Indebtedness of Restricted Subsidiaries that are not Guarantors; provided that the principal amount of such Indebtedness of which the primary obligor or a guarantor is a Restricted Subsidiary that is not a Guarantor shall not exceed, in the aggregate at any one time outstanding, the greater of (x) $105,000,00 and (y) 25.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (it being understood that any Indebtedness incurred pursuant to this clause (r) shall cease to be deemed incurred or outstanding for purposes of this clause (r) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (r));

(s) Indebtedness of the Borrower or any of the Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;

(t) (i) Indebtedness of the Borrower or any of the Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definition of Cash Management Services and (ii) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Borrower and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Borrower and its Restricted Subsidiaries;

(u) Indebtedness consisting of Indebtedness issued by the Borrower or any of the Restricted Subsidiaries to future, current or former officers, directors, managers and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower to the extent described in clause (4) of Section 10.5(b);

(v) Indebtedness of a Borrower or any Restricted Subsidiary as an account party in respect of Commercial Letters of Credit issued pursuant to a Secured Commercial LC Facility, in each case in a principal amount not in excess of the Stated Amount of each such Commercial Letter of Credit, in an aggregate amount not to exceed $50,000,000;

(w) Indebtedness incurred in compliance with Section 10.1(w) of the Term Loan Credit Agreement;

(x) Indebtedness incurred in compliance with Section 10.1(x) of the Term Loan Credit Agreement; and

(y) (i) Indebtedness in respect of Permitted Debt Exchange Notes incurred pursuant to a Permitted Debt Exchange (each as defined in the Term Loan Credit Agreement) in accordance with Section 2.15 of the Term Loan Credit Agreement (and which does not generate any additional proceeds) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension (except for any original issue discount thereon and the amount of fees, expenses, and premium and accrued and unpaid interest in connection with such refinancing) and (y) such Indebtedness otherwise complies with the definition of Permitted Other Indebtedness (as defined in the Term Loan Credit Agreement).

For purposes of determining compliance with this Section 10.1: (i) in the event that an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred stock described in clauses (a) through (y) above or is entitled to be incurred pursuant to the first paragraph of this Section 10.1, the Borrower, in its sole discretion, will classify and may reclassify such item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred stock in one of the above clauses or paragraphs; and (ii) at the time of incurrence, the Borrower will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in this Section 10.1; provided that all Indebtedness outstanding under the Term Loan Facility on the Restatement Effective Date will be treated as incurred under clause (b)(i) and (b)(ii) above, as applicable.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or preferred stock for purposes of this covenant. Any Refinancing Indebtedness and any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (a) and (l)(i) above shall be deemed to include additional Indebtedness, Disqualified Stock or preferred stock incurred to pay premiums (including reasonable tender premiums), defeasance costs, fees, and expenses in connection with such refinancing.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums, and other costs and expenses and accrued and unpaid interest incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

10.2 Limitation on Liens.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a "**Subject Lien**") that secures obligations under any Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, except:

(i) if such Subject Lien is a Permitted Lien;

(ii) any other Subject Lien on assets or property constituting Collateral if the obligations secured by such Subject Lien are junior to the Obligations; provided that at the Borrower's election, in the case of Liens securing Permitted Other Indebtedness Obligations, the applicable Permitted Other Indebtedness Secured Parties (or a representative thereof on behalf of such holders) shall enter into security documents with terms and conditions not materially more restrictive to the Borrower and the Subsidiary Credit Parties, taken as a whole, than the terms and conditions of the Security Documents and shall (x) in the case of the first such issuance of Permitted Other Indebtedness, the Collateral Agent, the Administrative Agent and the representative of the holders of such Permitted Other Indebtedness Obligations shall have entered into the Second Lien Intercreditor Agreement and (y) in the case of subsequent issuances of Permitted Other Indebtedness, the representative for the holders of such Permitted Other Indebtedness shall have become a party to the Second Lien Intercreditor Agreement in accordance with the terms thereof; and without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement contemplated by this clause (ii); and

(iii) in the case of any Subject Lien on assets or property not constituting Collateral, any Subject Lien if (i) the Obligations are equally and ratably secured with (or on a senior basis to, in the case such Subject Lien secures any Junior Debt) the obligations secured by such Subject Lien or (ii) such Subject Lien is a Permitted Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally be released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

10.3 Limitation on Fundamental Changes. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; provided that (A) the Borrower shall be the continuing or surviving corporation or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the "**Successor Borrower**"), (1) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (2) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto or in a form otherwise reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to the Guarantee, confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have, by a supplement to any applicable Security Document, affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, unless it is the other party to such merger, amalgamation or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its Guarantee as reaffirmed pursuant to clause (3), and (6) the Successor Borrower shall have delivered to the Administrative Agent (x) an officer's certificate stating that such merger, amalgamation, or consolidation and such supplements preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the applicable Security Documents and (y) if requested by the Administrative Agent, an opinion of counsel to the effect that such merger, amalgamation, or consolidation does not violate this Agreement or any other Credit Document and that the provisions set forth in the preceding clauses (3) through (5) preserve the enforceability of the Guarantee and the perfection of the Liens created under the applicable Security Documents (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement);

(b) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person (in each case, other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a

Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Subsidiary Guarantors, a Subsidiary Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation and if the surviving Person is not already a Subsidiary Guarantor, such Person shall execute a supplement to the Guarantee and the relevant Security Documents in form and substance reasonably satisfactory to the Administrative Agent in order to become a Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation and any such supplements to any Security Document preserve the enforceability of the Guarantees and the perfection and priority of the Liens under the applicable Security Documents;

(c) [reserved];

(d) (i) any Restricted Subsidiary that is not a Credit Party may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or any other Restricted Subsidiary or (ii) any Subsidiary Guarantor may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to any other Subsidiary Guarantor or the Borrower;

(e) any Subsidiary may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or a Subsidiary Guarantor; provided that the consideration for any such disposition by any Person other than a Subsidiary Guarantor shall not exceed the fair value of such assets;

(f) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; and

(g) the Borrower and the Restricted Subsidiaries may consummate a merger, dissolution, liquidation, consolidation, investment or conveyance, sale, lease, assignment or disposition, the purpose of which is to effect an Asset Sale (which for purposes of this Section 10.3(g), will include any disposition below the dollar threshold set forth in clause (d) of the definition of "Asset Sale") permitted by Section 10.4 or an investment permitted pursuant to Section 10.5 or an investment that constitutes a Permitted Investment; and

(h) undertaking or consummating any IPO Reorganization Transactions.

10.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(a) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of (a) $50,000,000 and (b) 1.5% of Consolidated Total Assets for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:

(i) any liabilities (as reflected on the Borrower's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such consolidated balance sheet, as determined in good faith by the Borrower) of the Borrower, other than liabilities that are by their terms subordinated to the Loans, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) and for which the Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing;

(ii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(iii) Indebtedness, other than liabilities that are by their terms subordinated to the Loans, that are of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and all Restricted Subsidiaries have been validly released from any Guarantee of payment of such Indebtedness in connection with such Asset Sale; and

(iv) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iv) that is at that time outstanding, not to exceed the greater of $210,000,000 and 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be cash for purposes of this clause (b) of this provision and for no other purpose.

10.5 Limitation on Restricted Payments.

(a) the Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:

(A) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock) of the Borrower or in options, warrants or other rights to purchase such Equity Interests, or

(B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(2) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower, Holdings or any direct or indirect parent company of the Borrower, including in connection with any merger or consolidation;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Junior Debt of the Borrower or any Restricted Subsidiary, other than (A) Indebtedness permitted under clauses (g) and (h) of Section 10.1 or (B) the purchase, repurchase or other acquisition of Junior Debt purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(4) make any Restricted Investment;

(all such payments and other actions set forth in clauses (1) through (4) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**"), unless, at the time of such Restricted Payment:

(i) no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof);

(ii) except in the case of a Restricted Investment and other than with respect to amounts attributable to subclauses (B), (C), and (G) below, immediately after giving effect to such transaction on a pro forma basis, the Payment Conditions are satisfied; and

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date (including Restricted Payments permitted by clauses (1), (2) (with respect to the payment of dividends on Refunding Capital Stock pursuant to clause (b) thereof only) and (6)(C) of Section 10.5(b) below, but excluding all other Restricted Payments permitted by Section 10.5(b)), is less than the sum of (without duplication) (the sum of the amounts attributable to clauses (A) through (G) below is referred to herein as the "**Available Amount**"):

(A) [reserved]

(B) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower since immediately after the Restatement Effective Date (other than net cash proceeds from Cure Amounts or to the extent such net cash proceeds have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1) from the issue or sale of (x) Equity Interests of the Borrower, including Retired Capital Stock, but excluding cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of (A) Equity Interests to any employee, director, manager or consultant of the Borrower, any direct or indirect parent company of the Borrower and the Borrower's Subsidiaries after the Restatement Effective Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below, and (B) Designated Preferred Stock, and, to the extent such net cash proceeds are actually contributed to the Borrower, Equity Interests of Holdings or any other direct or indirect parent company of the Borrower (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below) or (y) Indebtedness of the Borrower or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests of the Borrower or Holdings or any other direct or indirect parent company of the Borrower; provided that this clause (B) shall not include the proceeds from

(a) Refunding Capital Stock, (b) Equity Interests or Indebtedness that has been converted or exchanged for Equity Interests of the Borrower sold to a Restricted Subsidiary or the Borrower, as the case may be, (c) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions, *plus*

(C) 100% of the aggregate amount of cash and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following the Restatement Effective Date (other than net cash proceeds from Cure Amounts or to the extent such net cash proceeds (i) have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to clause (l)(i) of Section 10.1), (ii) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions), plus

(D) 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities or other property received by means of (A) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Restricted Investments made by the Borrower and the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Borrower and the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Borrower or the Restricted Subsidiaries, in each case, after the Restatement Effective Date; or (B) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary after the Restatement Effective Date, *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Restatement Effective Date, the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to clause (7) of Section 10.5(b) below or to the extent such Investment constituted a Permitted Investment, *plus*

(F) [reserved]

(G) $75,000,000.

(b) The foregoing provisions of Section 10.5(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("**Retired Capital Stock**") or Junior Debt of the Borrower or any Restricted Subsidiary, or any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower, in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of the Borrower or any direct or indirect Parent Entity or management investment vehicle to the extent contributed to the Borrower (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**") and (b) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this Section 10.5(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of Holdings or any other direct or indirect parent company of the Borrower) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that was declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt of the Borrower or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Borrower or a Restricted Subsidiary, as the case may be, which is incurred in compliance with Section 10.1 so long as: (A) the principal amount (or accreted value, if applicable) of such new

Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness, (B) if such Junior Debt is subordinated to the Obligations, such new Indebtedness is subordinated to the Obligations or the applicable Guarantee at least to the same extent as such Junior Debt so purchased, exchanged, redeemed, defeased, repurchased, acquired or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired, (D) if such Junior Debt so purchased, exchanged, redeemed, repurchased, acquired or retired for value is (i) unsecured then such new Indebtedness shall be unsecured or (ii) Permitted Other Indebtedness incurred pursuant to Section 10.1(x) and is secured by a Lien ranking junior to the Liens securing the Obligations then such new Indebtedness shall be unsecured or secured by a Lien ranking junior to the Liens securing the Obligations, and (E) such new Indebtedness has a weighted average life to maturity equal to or greater than the remaining weighted average life to maturity of the Junior Debt being so redeemed, defeased, repurchased, exchanged, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Borrower or Holdings, Intermediate Holdco or any direct or indirect Parent Entity or management investment vehicle held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any direct or indirect Parent Entity or management investment vehicle, or their estates, descendants, family, spouse or former spouse pursuant to any management equity plan or stock option or phantom equity plan or any other management or employee benefit plan or agreement, or any stock subscription or shareholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management of the Borrower or any direct or indirect Parent Entity or management investment vehicle in connection with the Transactions; provided that, except with respect to non-discretionary Restricted Payments, the aggregate Restricted Payments made under this clause (4) subsequent to the Restatement Effective Date do not exceed in any calendar year the greater of (a) $35,000,000 and (b) 8.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (which subsequent to the consummation of an IPO shall increase to the greater of (a) $70,000,000 and (b) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis)) (with unused amounts in any calendar year being carried over to succeeding calendar years); provided, further, that such amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of Holdings or any other direct or indirect Parent Entity or management investment vehicle, in each case to any future, present or former employees, directors, managers or consultants of the Borrower, any of its Subsidiaries, Holdings or any other direct or indirect Parent Entity or management investment vehicle that occurs after the Restatement Effective Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (iii) of Section 10.5(a), plus (B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after the Restatement Effective Date, less (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (4); and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle or any Restricted Subsidiary, or their estates, descendants, family, spouse or former spouse in connection with a repurchase of Equity Interests of the Borrower, Holdings or any other direct or indirect Parent Entity or management investment vehicle will not be deemed to constitute a Restricted Payment for purposes of this Section 10.5 or any other provision of this Agreement;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of preferred stock of any Restricted Subsidiary, in each case, issued in accordance with Section 10.1, provided such dividends are included in the calculation of Fixed Charges for the relevant period;

(6) (A) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after the Restatement Effective Date; (B) the declaration and payment of dividends to Holdings or any other direct or indirect parent company of the Borrower, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent company issued after the Restatement Effective Date; provided that the amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock; or (C) the declaration and payment of dividends on Refunding Capital Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this Section 10.5(b); provided that, in the case of each of (A), (B), and (C) of this clause (6), for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a pro forma basis, the Borrower and the Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio (as defined in the Term Loan Credit Agreement) of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash, Cash Equivalents or marketable securities, not to exceed the greater of (x) $95,000,000 and (y) 22.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) (i) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding or similar taxes payable upon exercise of Equity Interests by any future, present or former employee, director, manager, or consultant and repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(9) the declaration and payment of dividends on the Borrower's common stock (or the payment of dividends to Holdings, any Intermediate ~~Holco~~Holdco or any other direct or indirect parent company of the Borrower to fund a payment of dividends on such company's common stock), following consummation of an IPO, not to exceed an amount equal to the sum of (a) 6.00% per annum of the net cash proceeds received by or contributed to the Borrower in or from such IPO, other than public offerings with respect to the Borrower's common stock registered on Form S-8 and other than any public sale constituting an Excluded Contribution and (b) 5.0% per fiscal year of the market capitalization of the Borrower as of the end of the prior fiscal year (or in the case of the first fiscal year following an IPO, as of such IPO);

(10) Restricted Payments in an amount that does not exceed the amount of Excluded Contributions made since the Restatement Effective Date;

(11) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause not to exceed $25,000,000;

(12) distributions or payments of Receivables Fees;

(13) [reserved];

(14) other Restricted Payments; provided that after giving Pro Forma Effect to such Restricted Payments the Payment Conditions are satisfied;

(15) the declaration and payment of dividends by the Borrower to, or the making of loans to, Holdings or any other direct or indirect parent company of the Borrower in amounts required for any direct or indirect parent company to pay: (A) franchise and excise taxes, and other fees and expenses, required to maintain its organizational existence, (B) (i) consolidated, combined or similar foreign, federal, state and local income and similar taxes, to the extent that such income taxes are attributable to the income of the Borrower and the Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; provided that in each case the amount of such payments with respect to any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) would have been required to pay in respect of such foreign, federal, state and local income taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) been a stand-alone taxpayer or stand-alone group (separate from any such direct or indirect parent company of the Borrower) for all fiscal years ending after the Restatement Effective Date and/or (ii) Permitted Tax Distributions, (C) customary salary, bonus, and other benefits payable to officers, employees, directors, and managers of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (D) general corporate or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of Holdings, any Intermediate Holdco or any other direct or indirect parent company of the Borrower to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries, including the Borrower's proportionate share of such amount relating to such parent company being a public company, (E) amounts required for any direct or indirect parent company of the Borrower to pay fees and expenses incurred by any direct or indirect parent company of the Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent company of the Borrower of the type described in clause (xi) of the definition of "Consolidated Net Income," (F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any such direct or indirect parent company of the Borrower, (G) repurchases deemed to occur upon the cashless exercise of stock options and (H) taxes with respect to income of any direct or indirect parent company of the Borrower derived from funding made available to the Borrower and its Restricted Subsidiaries by such direct or indirect parent company;

(16) the repurchase, redemption or other acquisition for value of Equity Interests of the Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Borrower, in each case, permitted under this Agreement;

(17) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents);

(18) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Junior Debt in an aggregate amount pursuant to this clause (18) not to exceed the greater of (x) $105,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(19) undertaking or consummating any IPO Reorganization Transaction;

(20) payments or distributions to satisfy dissenters' rights, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of assets that complies with Section 10.3;

(21) payment of the Special Dividend; and

(22) payments in respect of, or in connection with, the Restatement Effective Date Refinancing.

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (11), (14) and (18), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would occur as a consequence thereof).

The Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of Investment. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to Section 10.5(a) or under clauses (7), (10), or (11) of Section 10.5(b), or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses (1) through (18) above or is entitled to be made pursuant to Section 10.5(a) and/or one or more of the exceptions contained in the definition of Permitted Investments, the Borrower will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or portion thereof) among such clauses (1) through (18), Section 10.5(a) and/or one or more of the exceptions contained in the definition of "Permitted Investments", in a manner that otherwise complies with this covenant.

10.6 Limitation on Subsidiary Distributions. The Borrower will not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary;

(b) make loans or advances to the Borrower or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary;

except (in each case) for such encumbrances or restrictions (x) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (y) existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Restatement Effective Date, including pursuant to this Agreement and the related documentation and related Hedging Obligations;

(ii) the Term Loan Credit Documents and the Term Loans;

(iii) purchase money obligations for property acquired in the ordinary course of business or consistent with past practice and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (c) above on the property so acquired;

(iv) Requirements of Law or any applicable rule, regulation or order;

(v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;

(vii) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(viii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(ix) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred subsequent to the Restatement Effective Date pursuant to the provisions of Section 10.1;

(x) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture and the Equity Interests issued thereby;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(xii) restrictions created in connection with any Receivables Facility that, in the good faith determination of the board of directors of the Borrower, are necessary or advisable to effect such Receivables Facility; and

(xiii) any encumbrances or restrictions of the type referred to in clauses (a), (b), and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xii) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, or refinancings (x) are, in the good faith judgment of the Borrower's board of

directors, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay their respective obligations under the Credit Documents as and when due (as determined in good faith by the Borrower).

10.7 Fixed Charge Coverage Ratio. Holdings will not permit the Fixed Charge Coverage Ratio for any Test Period to be lower than 1.00 to 1.00; provided that such Fixed Charge Coverage Ratio will only be tested (a) on the date on which a Compliance Period begins, as of the last day of the Test Period ending immediately prior to the date on which such Compliance Period shall have commenced and (b) as of the last day of each Test Period thereafter until such Compliance Period is no longer continuing.

Section 11. Events of Default.

Upon the occurrence of any of the following specified events set forth in Sections 11.1 through 11.11 (each an "**Event of Default**"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or any Fees or any Unpaid Drawings or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, Etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation or warranty shall remain incorrect for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower; or

11.3 Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in the last paragraph of Section 9.1(e)(i), Section 9.5 (solely with respect to the Borrower), Section 9.14(d), Section ~~9.17~~9.16 (during a Cash Dominion Period only) or Section 10; provided that any Event of Default under Section 10.7 is subject to cure as provided in Section ~~11.14~~11.13 and an Event of Default with respect to such Section shall not occur until the expiration of the 10th Business Day subsequent to the date the relevant financial statements are required to be delivered for the applicable fiscal quarter pursuant to Section 9.1(a) or (b) (such period, the "**Cure Period**"); or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days (or 5 Business Days in the case of Section 9.1(h)) after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements. (a) the Borrower or any of the Restricted Subsidiaries shall (i) fail to make any payment with respect to any Indebtedness (other than the Obligations under the Credit Documents) in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (after giving effect to all applicable grace period and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17%

of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is required as a result of any such termination or similar event and that is not otherwise being contested in good faith)), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (a) shall not apply to secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) that is required as a result of any such termination or equivalent event and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; provided that this clause (b) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness, (y) Indebtedness which is convertible into Qualified Stock and converts to Qualified Stock in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied by the Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Section 11; or

11.5 Bankruptcy, Etc. Except as otherwise permitted by Section 10.3, Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences a voluntary case, proceeding or action concerning itself under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (collectively, the "**Bankruptcy Code**"); or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not controverted within 60 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, trustee, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding-up, administration or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary; or there is commenced against the Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary is adjudicated bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, any Intermediate Holdco, the Borrower or any Significant Subsidiary makes a general assignment for the benefit of creditors; or

11.6 ERISA. (a) An ERISA Event or a Foreign Plan Event shall have occurred, (b) a trustee shall be appointed by a United States district court to administer any Pension Plan(s), (c) the PBGC shall institute proceedings to terminate any Pension Plan(s), or (d) any Credit Party or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner, and in each case in clauses (a) through (d) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect; or

11.7 Guarantee. Other than as expressly permitted hereunder, any Guarantee provided by any Credit Party or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof) or any such Guarantor thereunder or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee; or

11.8 Pledge Agreement. Other than as expressly permitted hereunder, the Pledge Agreement or any other Security Document pursuant to which the Capital Stock or Stock Equivalents of the Borrower or any Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent or any Lender or solely as a result of the Collateral Agent's failure to maintain possession of any Capital Stock or Stock Equivalents that have been previously delivered to it) or any pledgor thereunder or any Credit Party shall deny or disaffirm in writing any pledgor's obligations under any Security Document; or

11.9 Security Agreement. Other than as expressly permitted hereunder, the Security Agreement or any other Security Document pursuant to which the assets of Holdings, any Intermediate Holdco, the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, solely as a result of acts or omissions of the Collateral Agent in respect of certificates, promissory notes or instruments actually delivered to it (including as a result of the Collateral Agent's failure to file a Uniform Commercial Code continuation statement)) or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Security Agreement or any other Security Document; or

11.10 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability in excess of the greater of (x) $70,000,000 and (y) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof; or

11.11 Change of Control. A Change of Control shall occur; then, and in any event, and at any time thereafter, if an Event of Default occurs and is continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrower, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower, take any or all of the following actions, except as otherwise specifically provided for in this Agreement, (i) declare the Total Revolving Credit Commitment and Swingline Commitment terminated, whereupon the Revolving Credit Commitment and Swingline Commitment, if any, of each Lender or the Swingline Lender, as the case may be, shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the extent permitted by applicable law; (iii) terminate any Letter of Credit that may be terminated in accordance with its terms; and/or (iv) direct the Borrower to pay (and the Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 11.5 with respect to the Borrower, it will pay) to the Administrative Agent at the Administrative Agent's Office such additional amounts of cash, to be held as security for the Borrower's respective reimbursement obligations for Unpaid Drawings that may subsequently occur thereunder, equal to the aggregate Stated Amount of all Letters of Credit issued and then outstanding. In the case of an Event of Default under Section 11.3(a) in respect of a failure to observe or perform the covenant under Section 10.7, the actions previously described will be permitted to occur only following the expiration of the ability to effectuate the Cure Right; provided that, if an Event of Default specified in Section 11.5 shall occur with respect to the Borrower, the result that would occur upon the giving of written notice by the Administrative Agent shall occur automatically without the giving of any such notice.

11.12 Application of Proceeds. Subject to the terms of the ABL Intercreditor Agreement and, in each case if executed, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 11.4 shall be applied:

(i) *first*, ratably to pay the Obligations in respect of any Indemnified Liabilities, indemnities and other amounts then due to the Agents until paid in full;

(ii) *second*, ratably to pay any Indemnified Liabilities and indemnities, and to pay any fees then due to the Lenders, until paid in full; and

(iii) *third*, ratably to pay interest accrued in respect of the Obligations until paid in full;

(iv) *fourth,* to pay principal due in respect of the Swingline Loans until paid in full;

(v) *fifth*, ratably (A) to pay the unpaid principal in respect of the Loans, (B) Unpaid Drawings and (C) to pay outstanding Secured Bank Product Obligations, including Cash Collateralization of outstanding Noticed Hedges (other than such amount of the outstanding Secured Bank Product Obligations that exceeds the amount of the Bank Product Reserve as determined by the Administrative Agent and established in respect of such Secured Bank Product Obligations);

(vi) *sixth*, ratably to be held by the Administrative Agent, for the ratable benefit of the ~~Issuing Banks~~Letter of Credit Issuers and the Lenders to Cash Collateralize the then extant undrawn Stated Amount of Letters of Credit, in each case until paid in full;

(vii) *seventh*, to pay outstanding Secured Bank Product Obligations, including Cash Collateralization of outstanding Noticed Hedges, that exceed the amount of the Bank Product Reserve as determined by the Administrative Agent and established in respect of such Secured Bank Product Obligation;

(viii) *eighth,* ratably to pay any other outstanding Obligations of the Credit Parties (other than Obligations in respect of Secured Commercial LC Facilities);

(ix) *ninth,* ratably to pay other Obligations in respect of Secured Commercial LC Facilities, until paid in full; and

(x) *tenth*, to the Borrower or such other Person entitled thereto under Applicable Law.

Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Party. If a Secured Party fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero. The allocations set forth in this Section 11.12 are solely to determine the rights and priorities of the Agents and Secured Parties as among themselves, and may be changed by agreement among them without the consent of any Credit Party. Notwithstanding the foregoing, amounts received from any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to its Obligations that are Excluded Swap Obligations.

11.13 Equity Cure. Notwithstanding anything to the contrary contained in this Section 11, in the event that Holdings fails to comply with the requirement of the financial covenant set forth in Section 10.7, from the beginning of any fiscal period until the expiration of the 10th Business Day following the date financial statements referred to in Sections 9.1(a) or (b) are required to be delivered in respect of such fiscal period for which such financial covenant is being measured, any holder of Capital Stock or Stock Equivalents of Holdings or any direct or

indirect parent of Holdings shall have the right to cure such failure (the "**Cure Right**") by causing cash net equity proceeds derived from an issuance of Capital Stock or Stock Equivalents (other than Disqualified Stock, unless reasonably satisfactory to the Administrative Agent) by Holdings (or from a contribution to the common equity capital of Holdings) to be contributed, directly or indirectly, as cash common equity to either Borrower, and upon receipt by such Borrower of such cash contribution (such cash amount being referred to as the "**Cure Amount**") pursuant to the exercise of such Cure Right, such financial covenant shall be recalculated giving effect to the following pro forma adjustments:

(a) Consolidated EBITDA shall be increased, solely for the purpose of determining the existence of an Event of Default resulting from a breach of the financial covenant set forth in Section 10.7 with respect to any period of four consecutive fiscal quarters that includes the fiscal quarter for which the Cure Right was exercised and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;

(b) Consolidated Total Debt shall be decreased for purposes of determining compliance with Section 10.7 solely to the extent proceeds of the Cure Amount are actually applied to prepay Indebtedness, and in no event shall any reduction be given effect during the fiscal quarter with regard to which the Cure Right is exercised; and

(c) if, after giving effect to the foregoing recalculations, Holdings shall then be in compliance with the requirements of the financial covenant set forth in Section 10.7 (calculated on a Pro Forma Basis), Holdings shall be deemed to have satisfied the requirements of the financial covenant set forth in Section 10.7 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of such financial covenants that had occurred shall be deemed cured for the purposes of this Agreement;

provided that (i) in each period of four consecutive fiscal quarters there shall be at least two fiscal quarters in which no Cure Right is made, (ii) there shall be a maximum of five Cure Rights made during the term of this Agreement, (iii) each Cure Amount shall be no greater than the amount expected to be required to cause the Borrower to be in compliance with the financial covenant set forth in Section 10.7; and (iv) all Cure Amounts shall be disregarded for the purposes of any financial ratio determination under the Credit Documents other than for determining compliance with Section 10.7.

Section 12. The Agents.

12.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.1(c) with respect to the Joint Lead Arrangers and Bookrunners and Sections 12.1, 12.9, 12.11 and 12.12 with respect to the Borrower) are solely for the benefit of the Agents and the Lenders, neither the Borrower nor any other Credit Party shall have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings, the Borrower or any of their respective Subsidiaries.

(b) The Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any of the Administrative Agent, the Lenders, the Swingline Lender and the Letter of Credit Issuer and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each of the Joint Lead Arrangers and Bookrunners each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

12.2 Delegation of Duties. The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, subagents or attorneys-in-fact selected by it in the absence of its gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

12.3 Exculpatory Provisions. No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the creation, perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party. Without limiting the generality of the foregoing, (a) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 13.1), provided that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any debtor relief law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any debtor relief law and (b) except as expressly set forth in the Credit Documents, no Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity.

12.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice

of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; provided that the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable law.

12.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable.

12.6 Non-Reliance on Administrative Agent, Collateral Agent, and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of any Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender, the Swingline Lender and the Letter of Credit Issuer. Each of the Lenders, the Swingline Lender and the Letter of Credit Issuer represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of any of the Credit Parties. Except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification. The Lenders agree to severally indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against an Agent in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit

Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in connection with any of the foregoing; provided that no Lender shall be liable to an Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken by the Administrative Agent in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse each Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; provided that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's pro rata portion thereof; and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder. The indemnity provided to each Agent under this Section 12.7 shall also apply to such Agent's respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors and agents and successors.

12.8 Agents in Their Individual Capacities. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms Lender and Lenders shall include each Agent in its individual capacity.

12.9 Successor Agents.

(a) Each of the Administrative Agent and the Collateral Agent may at any time give notice of its resignation to the Lenders, the Letter of Credit Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Sections 11.1 or 11.5 is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (the "**Resignation Effective Date**"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); provided that if the Administrative Agent or the Collateral Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (v) of the definition of "Lender Default," the Required Lenders may to the extent permitted by applicable law, subject to the consent of the Borrower (not to be unreasonably withheld or delayed), by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the Letter of Credit Issuer under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent shall instead be made by or to each Lender and the Letter of Credit Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent or the Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section 12.9). Except as provided above, any resignation or removal of JPMorgan Chase Bank, N.A. as the Administrative Agent pursuant to this Section 12.9 shall also constitute the resignation or removal of JPMorgan Chase Bank, N.A. as the Collateral Agent. The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

(d) Any resignation by or removal of JPMorgan Chase Bank, N.A. as the Administrative Agent pursuant to this Section 12.9 shall also constitute its resignation or removal as Swingline Lender and Letter of Credit Issuer. Upon the acceptance of a successor's appointment as the Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender and Letter of Credit Issuer, (b) the retiring Swingline Lender and Letter of Credit Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Credit Documents, and (c) the successor Swingline Lender and Letter of Credit Issuer shall issue letters of credit in substitution for the Letters of Credit issued by such Affiliate of the Administrative Agent or the Administrative Agent, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Letter of Credit Issuer to effectively assume the obligations of the retiring Letter of Credit Issuer with respect to such Letters of Credit.

12.10 Withholding Tax. To the extent required by any applicable law (as determined in good faith by the Administrative Agent), the Administrative Agent may withhold from any payment to any Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so), fully for all amounts paid, directly or indirectly, by the Administrative Agent or as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative

Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 12.10. The agreements in Section 12.10 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations. For the avoidance of doubt, for purposes of this Section 12.10, the term Lender includes the Swingline Lender and the Letter of Credit Issuer.

12.11 Agents Under Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (a) release any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent (or any sub-agent thereof) under any Credit Document (i) upon the final maturity date and the payment in full (or Cash Collateralization) of all Obligations (except for contingent indemnification obligations in respect of which a claim has not yet been made and Secured Hedge Obligations and Secured Cash Management Obligations), (ii) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, (iii) if the property subject to such Lien is owned by a Guarantor, upon the release of such Guarantor from its Guarantee otherwise in accordance with the Credit Documents, (iv) as to the extent provided in the Security Documents, (v) that constitutes Excluded Property or Excluded Stock and Stock Equivalents or (vi) if approved, authorized or ratified in writing in accordance with Section 13.1; (b) release any Guarantor (other than Holdings) from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder; (c) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clause (vi) (solely with respect to Section 10.1(d)), and (ix) of the definition of "Permitted Lien"; and (d) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement.

The Collateral Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this Section 12.11, irrespective of any discharge of the Borrower's obligations to pay those amounts to the other Lenders resulting from failure by them to take appropriate steps in insolvency proceedings affecting the Borrower to preserve their entitlement to be paid those amounts.

Any amount due and payable by the Borrower to the Collateral Agent under this Section 12.11 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Credit Documents and any amount due and payable by the Borrower to the Collateral Agent under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 12.11.

12.12 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, Holdings, the Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights, and remedies under the Security Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent (in accordance with the directions of the Required Lenders), as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for

any collateral payable by the Collateral Agent at such sale or other disposition. No holder of Secured Hedge Obligations or Secured Cash Management Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Hedge Obligations or Secured Cash Management Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

12.13 Intercreditor Agreement Governs. The Administrative Agent, the Collateral Agent, and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into each intercreditor agreement entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any intercreditor agreement that includes, or to amend any then existing intercreditor agreement to provide for, the terms described in the definition of Permitted Other Indebtedness.

12.14 Bank Product Providers. Each Secured Bank Product Provider, by delivery of a notice to Agent of a Bank Product, agrees to be bound by Section 11.13 and this Section 12. Each Secured Bank Product Provider shall indemnify and hold harmless each Agent and each of its directors, officers, employees, or agents, to the extent not reimbursed by the Credit Parties, against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent or its directors, officers, employees, or agents in connection with such provider's Secured Bank Product Obligations.

Section 13. Miscellaneous.

13.1 Amendments, Waivers, and Releases. Except as otherwise expressly set forth in the Credit Documents, neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. Except as provided to the contrary under Section 2.14, and other than with respect to any amendment, modification or waiver contemplated in the proviso to clause (i) below, which shall only require the consent of the Lenders expressly set forth therein and not the Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or the Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and provided, further, that no such waiver and no such amendment, supplement or modification shall (x) (i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Default Rate or amend Section 2.8(c)), or the definitions of "Average Excess Availability"~~)~~, or forgive any portion thereof, or extend the date for the payment, of interest or fees payable hereunder or any principal hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates) or extend the final expiration date of any Letter of Credit beyond the L/C Facility Maturity Date (except as permitted by this provision in Section 3.1(b)), or amend or modify any provisions of Sections 5.3(a) (with respect to the ratable allocation of any payments only), 11.12, 13.8(a) or 13.20, or make any

Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case without the written consent of each Lender directly and adversely affected thereby; provided that a waiver of any condition precedent in Section 6 or 7 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial covenant definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal, premium or interest or an extension of the final maturity of any Loan or the scheduled termination date of any Commitment, in each case for purposes of this clause (i), or (ii) consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent in a manner that directly and adversely affects such Person, or (iv) amend, modify or waive any provision of Section 3 with respect to any Letter of Credit without the written consent of the Letter of Credit Issuer to the extent such amendment, modification or waiver directly and adversely affects the Letters of Credit Issuer, or (v) amend, modify or waive any provisions hereof relating to Swingline Loans without the written consent of the Swingline Lender in a manner that directly and adversely affects such Person, or (vi) release all or substantially all of the Guarantors under the Guarantees (except as expressly permitted by the Guarantees, the Intercreditor Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, the Intercreditor Agreement or this Agreement) without the prior written consent of each Lender, or (vii) reduce the percentage specified in the definition of the term Required Lenders or Super Majority Lenders or amend, modify or waive any provision of this Agreement that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, (viii) increase any advance rates under the definition of Borrowing Base (provided that the foregoing shall not impair the ability of the Administrative Agent to add, remove, reduce or increase Reserves against the ABL Priority Collateral included in the Borrowing Base in its Permitted Discretion) without the written consent of each Lender (other than a Defaulting Lender), or (ix) change the definition of Borrowing Base or any component definitions thereof which result in increased borrowing availability without the consent of the Super Majority Lenders or (y) notwithstanding anything to the contrary in clause (x), (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, in each case, without the written consent of such Lender.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender and (y) for any such amendment, waiver or consent that treats such Defaulting Lender disproportionately from the other Lender of the same Class (other than because of its status as a Defaulting Lender).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding the foregoing, in addition to any credit extensions and related Incremental Facility Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Revolving Credit Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Revolving Credit Loans.

The Lenders hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, upon the termination of this Agreement and the payment in full of all Obligations hereunder (except for (w) contingent indemnification obligations in respect of which a claim has not yet been made, (x) Secured Hedge Obligations, (y) Secured Cash Management Obligations and (z) cash collateralized Letters of Credit pursuant to arrangements reasonably acceptable to the applicable Letter of Credit Issuer), (ii) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee (in accordance with the second following sentence), (vi) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents, and (vii) if such assets constitute Excluded Property or Excluded Stock and Stock Equivalents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that any Restricted Subsidiary that is a Guarantor shall be released from the Guarantees upon consummation of any transaction not prohibited hereunder resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to add syndication or documentation agents and make customary changes and references related thereto with the consent of only the Borrower and the Administrative Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility or extension facility pursuant to Section 2.14 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to the Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of the Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing; provided that such other changes are not adverse, in any material respect, to the interests of the Lenders taken as a whole); provided, further, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower) and (y) effect administrative changes of a technical or immaterial nature (including to effect changes to the terms and conditions applicable solely to the Letter of Credit Issuer in respect of issuances of Letters of Credit) and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five Business Days' prior written notice of such change and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by Credit Parties in connection with this

Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 9.12, 9.13 and 9.14 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of the Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

13.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer or the Swingline Lender to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings and the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer or the Swingline Lender.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

13.5 Payment of Expenses; Indemnification.

(a) Each of Holdings and the Borrower, jointly and severally, agrees (i) to pay or reimburse each of the Agents for all their reasonable and documented out-of-pocket costs and expenses (without duplication) incurred in connection with the development, preparation, execution and delivery of, and any amendment, supplement, modification to, waiver and/or enforcement this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Cahill Gordon & Reindel LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower), one counsel in each relevant local jurisdiction with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), (ii) to pay or reimburse each Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one firm or counsel to the Administrative Agent and the Collateral Agent, and, to the extent required, one firm or local counsel in each relevant local jurisdiction with the Borrower's consent (such consent not to be unreasonably withheld or delayed (which may include a single special counsel acting in multiple jurisdictions), and (iii) to pay, indemnify and hold harmless each Lender, each Agent, the Letter of Credit Issuer and their respective Related Parties (without duplication) (the "**Indemnified Persons**") from and against any and all losses, claims, damages, liabilities, obligations, demands, actions, judgments, suits, costs, expenses, disbursements or penalties of any kind or nature whatsoever (and the reasonable and documented out-of-pocket fees, expenses, disbursements and other charges of one firm of counsel for all Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict notifies the Borrower of any existence of such conflict and in connection with the investigating or defending any of the foregoing (including the reasonable fees) has retained its own counsel, of another firm of counsel for such affected Indemnified Person), and to the extent required, one firm or local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions)) of any such Indemnified Person arising out of or relating to any action, claim, litigation, investigation or other proceeding (regardless of whether such Indemnified Person is a party thereto or whether or not such action, claim, litigation or proceeding was brought by Holdings, any of its Subsidiaries or any other Person), arising out of, or with respect to the Transactions or to the execution, enforcement, delivery, performance and administration of this Agreement, the other Credit Documents and any such other documents, including any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or any actual or alleged presence, Release or threatened Release of Hazardous Materials relating in any way to Holdings or any of its Subsidiaries (all the foregoing in this clause (iii), collectively, the "**Indemnified Liabilities**"); provided that Holdings and the Borrower shall have no obligation hereunder to any Indemnified Person with respect to indemnified liabilities to the extent arising from (i) the gross negligence, bad faith or willful misconduct of such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, (ii) a material breach of the obligations of such Indemnified Person or any of its Related Parties under the terms of this Agreement by such Indemnified Person or any of its Related Parties as determined in a final and non-appealable judgment of a court of competent jurisdiction, or (iii) any proceeding between and among Indemnified Persons that does not involve an act or omission by Holdings, the Borrower or their respective Restricted Subsidiaries; provided the Agents, to the extent acting in their capacity as such, shall remain indemnified in respect of such proceeding, to the extent that neither of the exceptions set forth in clause (i) or (ii) of the immediately preceding proviso applies to such person at such time. The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 13.5 shall not apply with respect to Taxes, other than any Taxes that represent losses, claims, damages, liabilities, obligations, penalties, actions, judgments, suits, costs, expenses or disbursements arising from any non-Tax claim.

(b) No Credit Party nor any Indemnified Person shall have any liability for any special, punitive, indirect or consequential damages resulting from this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); provided that the foregoing shall not limit Holdings and the Borrower's indemnification obligations to the Indemnified Persons pursuant to Section 13.5(a) in respect of damages incurred or paid by an Indemnified Person to a third party. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any Indemnified Person or any of its Related Parties as determined by a final and non-appealable judgment of a court of competent jurisdiction.

13.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 10.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 13.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 13.7, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including participations in L/C Obligations or Swingline Loans) at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld ~~or~~, delayed or conditioned; it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment of Loans or Commitments to any assignee if an Event of Default under Section 11.1 or Section 11.5 (with respect to the Borrower) has occurred and is continuing; and

(B) the Administrative Agent (not to be unreasonably withheld or delayed), the Swingline Lender and the Letter of Credit Issuer.

Notwithstanding the foregoing, no such assignment shall be made to (i) a natural Person, Disqualified Lender or Defaulting Lender and (ii) Holdings, the Borrower or any of their Subsidiaries. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for ascertaining, inquiring, monitoring or enforcing the list of Persons who are Disqualified Lenders at any time.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "**Administrative Questionnaire**") and applicable tax forms (as required under Section 5.4(e)); and

(E) any assignment to an Affiliated Lender (other than an Affiliated Institutional Lender) shall also be subject to the requirements of Section 13.6(h).

For the avoidance of doubt, the Administrative Agent bears no responsibility for tracking or monitoring assignments to or participations by any Affiliated Lender.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 13.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 13.6, (i) the Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and stated interest amounts) and any payment made by the Letter of Credit Issuer under any Letter of Credit owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent, the Letter of Credit Issuer, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 13.6 and any written consent to such assignment required by clause (b) of this Section 13.6, the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender sell participations to one or more banks or other entities (other than (x) a natural person, (y) Holdings and its Subsidiaries and (z) any Disqualified Lender provided, however, that, notwithstanding clause (y) hereof, participations may be sold to Disqualified Lenders unless a list of Disqualified

Lenders has been made available to all Lenders) (each, a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Administrative Agent, the Letter of Credit Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for ascertaining, inquiring, monitoring or enforcing the list of Disqualified Lenders or the sales of participations thereto at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) and (vii) of the second proviso to Section 13.1 that affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of Section 5.4(e)) (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the participating Lender)). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; provided such Participant shall be subject to Section 13.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5, or 5.4 than the applicable Lender would have been entitled to receive absent the sale of such the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest amounts) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, or other central bank having jurisdiction over such Lender and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPV**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 13.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 13.16, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(g) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections and Sections 2.12 and 13.7 as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of Section 5.4(e) (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the Granting Lender)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 5.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(h) Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Loans or Commitments to an Affiliated Lender; provided that by its acquisition of Loans or Commitments, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) it shall not have any right to (i) attend or participate in (including, in each case, by telephone) any meeting (including "Lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Borrower are not then present, (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "Lender only", except to the extent such information or materials have been made available to the Borrower or their representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (iii) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender; and

(B) except with respect to any amendment, modification, waiver, consent or other action (I) in Section 13.1 requiring the consent of all Lenders, all Lenders directly and adversely affected or specifically such Lender, (II) that alters an Affiliated Lender's pro rata share of any payments given to all Lenders, or (III) affects the Affiliated Lender (in its capacity as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Loans and Commitments held by an Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that

does not affect the Affiliated Lender in a manner that is materially adverse to such Affiliated Lender relative to other Lenders, shall be deemed to have voted its interest in the Loans and Commitments in the same proportion as the other Lenders) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph); and

(ii) the aggregate principal amount of Loans and Commitments held at any one time by Affiliated Lenders may not exceed 30% of the aggregate principal amount of all Loans and Commitments outstanding at the time of such purchase.

For avoidance of doubt, the foregoing limitations shall not be applicable to Affiliated Institutional Lenders.

13.7 Replacements of Lenders Under Certain Circumstances.

(a) The Borrower shall be permitted (x) to replace any Lender or (y) terminate the Commitment of such Lender or Letter of Credit Issuer, as the case may be, and (1) in the case of a Lender (other than the Letter of Credit Issuer), repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date and (2) in the case of the Letter of Credit Issuer, repay all Obligations of the Borrower owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or backstop on terms satisfactory to such Letter of Credit Issuer any Letters of Credit issued by it that (a) requests reimbursement for amounts owing pursuant to Sections 2.10 or 5.4, (b) is affected in the manner described in Section 2.10~~(a)(iii)~~ and as a result thereof any of the actions described in such Section is required to be taken, or (c) becomes a Defaulting Lender, with a replacement bank or other financial institution; provided that (i) such replacement does not conflict with any Requirements of Law, (ii) no Event of Default under Sections 11.1 or 11.5 shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts pursuant to Sections 2.10, 2.11, or 5.4, as the case may be, owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, an Affiliate of the Lender, an Affiliated Lender or Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (v) the replacement bank or institution, if not already a Lender shall be subject to the provisions of Section 13.6(b), (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (provided that unless otherwise agreed the Borrower shall be obligated to pay the registration and processing fee referred to therein), and (vii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "**Non-Consenting Lender**") has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders directly and adversely affected or (ii) all of the Lenders, and, in each case, with respect to which the Required Lenders (or at least 50.1% of the directly and adversely affected Lenders) shall have granted their consent, then, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or to terminate the Commitment of such Lender or Letter of Credit Issuer, as the case may be, and (1) in the case of a Lender (other than the Letter of Credit Issuer), repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; and (2) in the case of the Letter of Credit Issuer, repay all Obligations of the Borrower owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or backstop on terms satisfactory to such Letter of Credit Issuer any Letters of Credit issued by it); provided that (a) all Obligations hereunder of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment including any amounts that such Lender may be owed pursuant to Section ~~2.11~~,2.11 and (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon~~, and (c) the Borrower shall pay to such Non-Consenting Lender the amount, if any, owing to such Lender pursuant to Section 5.1(b).~~ . In connection with any such assignment, the Borrower, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

13.8 Adjustments; Set-off.

(a) Except as contemplated in Section 13.6 or elsewhere herein, if any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. For purposes of subclause (ii)(a) of the definition of "Excluded Taxes", a Lender that acquires a participation pursuant to this Section 13.8 shall be treated as having acquired such participation on the date(s) on which such Lender acquired the applicable interest(s) in the Commitment(s) and/or Loan(s) to which such participation relates.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties but with the prior consent of the Administrative Agent, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, and petty cash accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

13.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 Integration. This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrower, the Texas Intermediate Holdcos, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

13.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

13.13 Submission to Jurisdiction; Waivers. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Borrower or any other Credit Party in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages; provided that nothing in this clause (e) shall limit the Credit Parties' indemnification obligations set forth in Section 13.5.

13.14 Acknowledgments. Each of Holdings, each Texas Intermediate Holdco and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrower and the other Credit Parties, on the one hand, and the Administrative Agent, the Lenders and the other Agents on the other hand, and the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);

(ii) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for the Borrower, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees, or any other Person;

(iii) neither the Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or other Agent has advised or is currently advising the Borrower, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents;

(iv) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and

(v) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and Holdings, the Texas Intermediate Holdcos and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of Holdings, the Texas Intermediate Holdcos and the Borrower hereby agrees that it will not claim that any Agent owes a fiduciary or similar duty to the Credit Parties in connection with the Transactions contemplated hereby and waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Texas Intermediate Holdcos and the Borrower, on the one hand, and any Lender, on the other hand.

13.15 WAIVERS OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.16 Confidentiality. The Administrative Agent, each other Agent and each Lender (collectively, the "**Restricted Persons**" and, each a "**Restricted Person**") shall treat confidentially all non-public information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person's evaluation of whether to become a Lender hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement ("**Confidential Information**") and shall not publish, disclose or otherwise divulge such Confidential Information; provided that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its affiliates or any related parties thereto in violation of any confidentiality obligations owing under this Section 13.16, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person's knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective subsidiaries or affiliates, (e) to the extent that such Confidential Information was already in the possession of the Restricted Persons prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information, (f) to such Restricted Person's affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors, and other experts or agents who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) (with each such

Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers (or other derivative transaction counterparties) (any such person, a "**Derivative Counterparty**"), participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); provided that (i) the disclosure of any such Confidential Information to any Lenders, Derivative Counterparties or prospective Lenders, Derivative Counterparties or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, Derivative Counterparty or prospective Lender or participant or prospective participant that such Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by such Restricted Person to any person that is at such time a Disqualified Lender, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for the Borrower and the Credit Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16). Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis from a source other than the Borrower, its Subsidiaries or its Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 13.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by Holdings or any of its Subsidiaries, and (iv) each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement and the other Credit Documents.

13.17 Direct Website Communications. The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto, (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under this Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; provided that (i) upon written request by the Administrative Agent or the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(a) The Borrower further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on IntraLinks or a substantially similar electronic transmission system (the "**Platform**"), so long as the access to such Platform (i) is limited to the Agents, the Lenders and Transferees or prospective Transferees and (ii) remains subject to the confidentiality requirements set forth in Section 13.16.

(b) Although the Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Restatement Effective Date, a user ID/password authorization system) and the Platform is secured through a per-deal authorization method whereby each user may access the Platform only on a deal-by-deal basis, each of the Lenders, the Letter of Credit Issuers and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders, the Letter of Credit Issuers and the Borrower hereby approves distribution of the Communications through the Platform and understands and assumes the risks of such distribution.

(c) ~~(b)~~ THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE "**BORROWER MATERIALS**") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**" and each an "**Agent Party**") have any liability to the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities, or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents as determined in the final non-appealable judgment of a court of competent jurisdiction.

(d) ~~(c)~~ The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, the Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, the Subsidiaries and their securities. Notwithstanding the foregoing, the Borrower shall use commercially reasonable efforts to indicate whether any document or notice contains only publicly available information; provided, however, that the following documents shall be deemed to be marked "PUBLIC," unless the Borrower notifies the Administrative Agent promptly that any such document contains material nonpublic information: (1) the Credit Documents, (2) any notification of changes in the terms of the Credit Facility and (3) all financial statements and certificates delivered pursuant to Sections 9.1(a), (b) and (d).

13.18 USA PATRIOT Act. Each Lender hereby notifies each Credit Party that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

13.19 [Reserved].

13.20 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable ~~Overnight~~NYFRB Rate from time to time in effect.

13.21 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

13.22 Nature of Borrower Obligations.

(a) Notwithstanding anything to the contrary contained elsewhere in this Agreement, it is understood and agreed by the various parties to this Agreement that all of the Borrower's Obligations to repay principal of, interest on, and all other amounts with respect to, all Loans, L/C Obligations and all other Obligations of the Borrower pursuant to this Agreement (including, without limitation, all fees, indemnities, taxes and other Obligations in connection therewith or in connection with the related Commitments) shall be guaranteed pursuant to, and in accordance with the terms of, the Guarantee.

(b) The obligations of the Borrower with respect to the Borrower's Obligations are independent of the obligations of any Guarantor under its guaranty of the Borrower's Obligations, and a separate action or actions may be brought and prosecuted against the Borrower, whether or not any such Guarantor is joined in any such action or actions. The Borrower waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof.

(c) The Borrower authorizes the Administrative Agent and the Lenders without notice or demand (except as shall be required by the Credit Documents and applicable statute that cannot be waived), and without affecting or impairing its liability hereunder, from time to time to:

(i) exercise or refrain from exercising any rights against any Guarantor or others or otherwise act or refrain from acting;

(ii) apply any sums paid by any other Person, howsoever realized or otherwise received to or for the account of the Borrower to any liability or liabilities of such other Person regardless of what liability or liabilities of such other Person remain unpaid; and/or

(iii) consent to or waive any breach of, or act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise, by any other Person.

(d) It is not necessary for the Administrative Agent or any other Lender to inquire into the capacity or powers of Holdings or any of its Subsidiaries or the officers, directors, members, partners or agents acting or purporting to act on its behalf.

(e) The Borrower waives any right to require the Administrative Agent or the other Lenders to (i) proceed against any Guarantor or any other party, (ii) proceed against or exhaust any security held from any Guarantor or any other party or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. The Borrower waives any defense based on or arising out of suretyship or any impairment of security held from the Borrower, any Guarantor or any other party or on or arising out of any defense of any Guarantor or any other party other than payment in full in cash of the Obligations of the Credit Parties, including, without limitation, any defense based on or arising out of the disability of any Guarantor or any other party, or the unenforceability of the Obligations of the Borrower or any part thereof from any cause, in each case other than as a result of the payment in full in cash of the Obligations of the Borrower.

(f) All provisions contained in any Credit Document shall be interpreted consistently with this Section 13.22 to the extent possible.

13.23 Amendment and Restatement.

(a) The Credit Parties, the Administrative Agent and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing ABL Facility shall be and hereby are amended and restated in their entirety by the terms and conditions of this Agreement and the terms and provisions of the Existing ABL Facility, except as otherwise provided in this Agreement (including, without limitation, clause (b) of this Section 13.23), shall be superseded by this Agreement. Upon the effectiveness of this Agreement, each Credit Document that was in effect immediately prior to the date of this Agreement shall continue to be effective on its terms unless otherwise expressly stated herein or therein.

(b) Notwithstanding the amendment and restatement of the Existing ABL Facility by this Agreement, the Credit Parties shall continue to be liable (i) to each Indemnified Person with respect to agreements on their part under the Existing ABL Facility to indemnify and hold harmless such Indemnified Person from and against all claims, demands, liabilities, damages, losses, costs, charges and expenses to which the Administrative Agent and the Lenders may be subject arising in connection with the Existing ABL Facility and (ii) for the Obligations (as defined in the Existing ABL Facility) of the Borrower and the other Credit Parties under the Existing ABL Facility and the other Credit Documents (as defined in the Existing ABL Facility) that remain unpaid and outstanding as of the date of this Agreement and such Obligations shall continue to exist under and be evidenced by this Agreement and the other Credit Documents. This Agreement is given as a substitution of, and not as a payment of, the obligations of the Credit Parties under the Existing ABL Facility and is not intended to constitute a novation of the Existing ABL Facility.

13.24 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

13.25 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that:

(i) none of the Administrative Agent or the Joint Lead Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or the Joint Lead Arrangers or any of their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent and Joint Lead Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Credit Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

13.26 MIRE Events. Each of the parties hereto acknowledges and agrees that, if there are any Mortgaged Properties, any increase, extension or renewal of any of the Commitments or Loans (including the provision of Incremental Commitments or any other incremental credit facilities hereunder, but excluding (i) any continuation or conversion of borrowings, (ii) the making of any Revolving Loans or (iii) the issuance, renewal or extension of Letters of Credit) shall be subject to (and conditioned upon): the prior delivery of all flood hazard determination certifications, acknowledgements and evidence of flood insurance and other flood-related documentation with respect to such Mortgaged Properties as required by Flood Insurance Laws and as otherwise reasonably required by the Administrative Agent; provided that the effectiveness of each such event pursuant to this Section 13.26 shall be subject to such documents having been made available to the Lenders not less than five (5) Business Days prior to the date of effectiveness thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Exhibit 10.7

EXECUTION VERSION

AMENDED AND RESTATED ABL SECURITY AGREEMENT

THIS AMENDED AND RESTATED ABL SECURITY AGREEMENT, dated as of July 2, 2015, among Academy, Ltd., a Texas limited partnership (the "Borrower"), each of the Subsidiaries listed on the signature pages hereto or that becomes a party hereto pursuant to Section 8.14 (each such entity being a "Subsidiary Grantor" and, collectively, the "Subsidiary Grantors"), and JPMorgan Chase Bank, N.A., as collateral agent (in such capacity, the "Collateral Agent") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, the Borrower is a party to the First Amended and Restated ABL Credit Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "ABL Credit Agreement"), among the Borrower, New Academy Holding Company, LLC, a Delaware limited liability company ("Holdings"), Associated Investors L.L.C. and Academy Managing Co., L.L.C., each a Texas limited liability company (the "Texas Intermediate Holdcos"), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender;

WHEREAS, (a) pursuant to the ABL Credit Agreement, (i) the Lenders have severally agreed to make available to the Borrower Revolving Credit Loans, (ii) the Letter of Credit Issuers have agreed to issue Letters of Credit for the account of the Borrower (or, so long as the Borrower is the primary obligor and a signatory to the Letter of Credit Request, for the account of Holdings or any Restricted Subsidiary of the Borrower), and (iii) the Swingline Lender has agreed to extend credit to the Borrower in the form of Swingline Loans, all upon the terms and subject to the conditions set forth therein and (b) one or more Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries;

WHEREAS, the Borrower, the Subsidiary Grantors and the Collateral Agent are party to the Security Agreement dated as of August 3, 2011 (the "Original Security Agreement");

WHEREAS, pursuant to the Amended and Restated ABL Guarantee dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), each Grantor party thereto has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

WHEREAS, it is intended that the Borrower will enter into, *inter alia*, a term loan facility (the "Term Loan Facility") generating aggregate gross proceeds of $1,825,000,000 pursuant to a First Amended and Restated Credit Agreement dated as of the date hereof among Holdings, the Texas Intermediate Holdcos, the Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent (the "Term Loan Agent");

WHEREAS, the ABL Intercreditor Agreement dated as of the date hereof between, inter alios, the Collateral Agent and the Term Loan Agent (the "ABL Intercreditor Agreement") governs the relative rights and priorities of the Secured Parties and the Term Loan Secured Parties (as defined therein) in respect of the Collateral and the CF Debt Priority Collateral (as defined below) (and with respect to certain other matters as described therein).

WHEREAS, each Grantor is the Borrower or a Subsidiary Guarantor;

WHEREAS, the proceeds of the Loans, the issuance of the Letters of Credit and the provision of Secured Cash Management Agreements and Secured Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to the Grantors in connection with the operation of their respective businesses; and

WHEREAS, each Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Loans, the issuance of the Letters of Credit and the provision of such Secured Cash Management Agreements and Secured Hedge Agreements;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Letter of Credit Issuers and the Lenders to enter into the ABL Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower, the Letter of Credit Issuers to issue their respective Letters of Credit and the Swingline Lender to extend Swingline Loans to the Borrower, and to induce one or more Lenders or Affiliates of Lenders to enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries, the Grantors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, to amend and restate the Original Security Agreement in its entirety as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the ABL Credit Agreement and used herein shall have the meanings given to them in the ABL Credit Agreement.

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein): Account, Chattel Paper, Commercial Tort Claims, Commodity Contract, Deposit Accounts, Documents, Fixtures, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities, Securities Accounts, Security Entitlement, Software, Supporting Obligation and Tangible Chattel Paper.

(c) The following terms shall have the following meanings:

"ABL Priority Collateral" shall have the meaning assigned to that term in the ABL Intercreditor Agreement.

"CF Debt Priority Collateral" shall have the meaning assigned that term in the ABL Intercreditor Agreement.

"Collateral" shall have the meaning provided in Section 2.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.1 or Section 5.3.

"Collateral Agent" shall have the meaning provided in the preamble to this Security Agreement.

"Control" shall mean "control," as such term is defined in Section 9-104 or 9-106, as applicable, of the UCC.

"Copyrights" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyrights arising under the laws of the United States, whether as author, assignee, transferee, licensee or otherwise, including copyrights in Software, and (ii) all registrations and applications for registration of any such copyright in the United States, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those U.S. registered copyrights owned by any Grantor and listed on Schedule 1.

"Default" or "Event of Default" shall mean a "default" or "event of default" under the ABL Credit Agreement.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the UCC, now or hereafter owned by any Grantor or to which any Grantor has rights and, in any event, shall include all machinery, equipment, furnishings, movable trade fixtures and vehicles now or hereafter owned by any Grantor or to which any Grantor has rights and any and all Proceeds, additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding any Excluded Property.

"Excluded Property" shall mean (i) (x) all leasehold interests in real property and (y) any parcel of real estate and the improvements thereto owned in fee by a Credit Party not constituting Mortgaged Property (but not any Collateral located thereon), (ii) motor vehicles and other assets subject to certificates of title, letter of credit rights (other than to the extent such rights can be perfected by filing a UCC-1) and Commercial Tort Claims with a claim value of less than the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), (iii) those assets over which the granting of security interests in such assets would be prohibited by applicable law or regulation (in each case, except to the extent such prohibition is unenforceable after giving effect to applicable provisions of the Uniform Commercial Code of any applicable jurisdiction, other than proceeds thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction notwithstanding such prohibitions) or to the extent that such security interests would require obtaining the consent of any governmental authority (except to the extent such consent has been obtained) or would result in materially adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, (iv) margin stock and, to the extent requiring the consent of one or more third parties or prohibited by the terms of any applicable organizational documents, joint venture agreement or shareholders' agreement, Equity Interests in any Person other than Wholly-Owned Restricted Subsidiaries after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction, (v) those assets as to which the Administrative Agent and the Borrower reasonably determine in writing that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby, (vi) any intent-to-use trademark application filed in the United States Patent and Trademark Office prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, (vii) any contract, lease, license or other agreement or any property subject to a purchase money security interest, Capitalized Lease Obligation or similar arrangement permitted under the ABL Credit Agreement to the extent that a grant of a security interest therein would violate or invalidate such contract lease, license or agreement or purchase money, Capitalized Lease Obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Guarantor) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction), other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction notwithstanding such prohibition and (viii) any property that is subject to a Lien permitted pursuant to clause (viii) or (ix) of the definition of "Permitted Liens" in

the ABL Credit Agreement if the contract or other agreement in which such Lien is granted (or the documentation providing for Indebtedness subject to such Lien) prohibits the creation of any other Lien on such property or creates a right of termination in favor of any other party thereto (other than a Credit Party) as a result of the creation of any such Lien; provided further that proceeds and products from any and all of the of the foregoing that would constitute Excluded Property shall also not be considered Collateral and proceeds and products from any and all of the foregoing that do not constitute Excluded Property shall be considered Collateral.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the UCC and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of such Grantor for damages arising out of any breach of or default thereunder and (d) all rights of such Grantor to terminate, amend, supplement, modify or exercise rights or options thereunder.

"Grantors" shall mean the Subsidiary Grantors and the Borrower, and "Grantor" shall mean each of them.

"Intellectual Property" shall mean all U.S. intellectual property, including all (i) (a) Patents, inventions, processes, developments, technology and know-how; (b) Copyrights, graphics, advertising materials, labels, package designs and photographs; (c) Trademarks; (d) trade secrets, designs, intellectual property rights in Software, data, databases and confidential, proprietary or non-public information; and (e) all other intellectual property rights, and (ii) all rights, priorities and privileges related thereto and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all Proceeds therefrom.

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements and Commodity Contracts of any Grantor (other than Excluded Stock and Stock Equivalents).

"Obligations" shall mean the Obligations (as defined in the ABL Credit Agreement).

"Patents" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person and arising under the laws of the United States: (a) all patents and pending applications in the United States Patent and Trademark Office, and (b) all reissues, reexaminations, continuations, divisionals, continuations-in-part, or extensions thereof, and the inventions, discoveries or designs disclosed or claimed therein, including those U.S. patents and applications therefor owned by any Grantor and listed on Schedule 2.

"Proceeds" shall mean all "proceeds" as such term is defined in Article 9 of the UCC and, in any event, shall include with respect to any Grantor, any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Collateral Agent, (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or

accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or injury to the goodwill associated with or symbolized thereby, (iii) past, present or future infringement of any Copyright now or hereafter owned by any Grantor and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Registered Intellectual Property" shall mean all Copyrights, Patents and Trademarks issued by, registered with, renewed by or the subject of a pending application before the United States Patent and Trademark Office or the United States Copyright Office.

"Secured Parties" shall mean the "Secured Parties" as defined in the ABL Credit Agreement.

"Security Agreement" shall mean this Amended and Restated ABL Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Security Interest" shall have the meaning provided in Section 2.

"Short-form Intellectual Property Security Agreement" shall have the meaning assigned to such term in Section 3.2(b).

"Termination Date" shall have the meaning provided in Section 6.5(a).

"Trademarks" shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person and arising under the laws of the United States: (i) all trademarks, service marks, trade names, brand names, domain names, corporate names, company names, business names, fictitious business names, trade dress, logos, other source or business identifiers and designs, all registrations and recordings thereof (if any), and all registrations and applications filed in connection therewith in the United States Patent and Trademark Office or any similar offices in any State of the United States, and all extensions or renewals thereof, including those U.S. registered trademarks and applications therefor owned by any Grantor and listed on Schedule 3 hereto, and (ii) all goodwill associated therewith or symbolized thereby.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of any provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"Vehicles" shall mean all cars, trucks, trailers, and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing.

Sections 1.2, 1.5, 1.9 and 1.10 of the ABL Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

2. Grant of Security Interest.

(a) Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, and hereby confirms its prior grant to the Collateral Agent, for the benefit of the Secured Parties of, a lien on and security interest in (the "Security Interest"), all of its right, title and interest in, to and under all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Commercial Tort Claims described on Schedule 4 (as such Schedule may be amended from time to time);

(iv) all Documents;

(v) all Equipment, Fixtures and Goods;

(v) all General Intangibles;

(vii) all Instruments;

(viii) all Intellectual Property;

(ix) all Inventory;

(x) all Investment Property;

(xi) all cash, Deposit Accounts, Securities Accounts and Collateral Accounts;

(xii) all Supporting Obligations;

(xiii) all books and records pertaining to the Collateral; and

(xiv) the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

provided that the Collateral (or any defined term used in the definition thereof) for any Obligations shall not include any (x) Excluded Stock and Stock Equivalents with respect to such Obligations or (y) Excluded Property; provided, however, that Collateral shall include any Proceeds, substitutions or replacements of any assets referred to in the foregoing clauses (x) and (y) (unless such Proceeds, substitutions or replacements would constitute assets referred to in clause (x) or (y)).

This Security Agreement amends and restates the Original Security Agreement. The obligations under the Original Security Agreement of the Grantors party thereto and the grant of security interest in the Collateral under the Original Security Agreement by the applicable Grantors party thereto shall continue under this Security Agreement, and shall not in any event be terminated, extinguished, annulled or otherwise affected in any manner hereby, but shall hereafter be governed by this Security Agreement. All references to the Security Agreement in any Credit Document or other document or

instrument delivered in connection therewith shall be deemed to refer to the Original Security Agreement, as amended and restated pursuant to this Security Agreement and the provisions hereof. It is understood and agreed that the Original Security Agreement is being amended and restated by entry into this Security Agreement on the date hereof. To the extent applicable, the Grantors hereby acknowledge, confirm and agree that any financing statements, fixture filings, filings with the United States Patent and Trademark Office or the United States Copyright Office or other instrument similar in effect to the foregoing under applicable law covering all or any part of the Collateral previously filed in favor of the Collateral Agent under the Original Security Agreement are in full force and effect as of the date hereof and effectuate the perfection of the security interests granted under the Original Security Agreement and this Security Agreement, and each Grantor ratifies its authorization for the Collateral Agent to file in any relevant jurisdictions any such financing statement, fixture filing or other instrument relating to all or any part of the Collateral if filed prior to the date hereof.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and, with notice to the applicable Grantors, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interests of the Collateral Agent under this Security Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets", "all assets now owned or hereafter acquired" or words of similar effect, provided that with respect to fixtures the Collateral Agent shall only file or record financing statements in the jurisdiction of organization of a Grantor, except in connection with a Mortgage. Each Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements.

Subject to the limitations contained herein and in the ABL Credit Agreement, each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 2(b).

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office), with the signature of each applicable Grantor, such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted hereunder by each Grantor and naming any Grantor or the Grantors as debtors and the Collateral Agent, as the case may be, as secured party.

The Security Interests are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral, unless the Collateral Agent has expressly assumed such obligations or liabilities and released the Grantors from such obligations and liabilities.

3. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each Secured Party on the date hereof (and on the date of each Credit Event) that:

3.1 Title; No Other Liens. Except for (a) the Security Interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement and the Pledge Agreement and (b) the Liens permitted by the ABL Credit Agreement (and which, in the case of Liens permitted in respect of the Term Loan Facility pursuant to Section 10.2 thereof, are subject to the ABL

Intercreditor Agreement), such Grantor owns, or has valid leaseholds in or the right to use, each item of the Collateral free and clear of any and all Liens. To the knowledge of such Grantor, no security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement, (ii) are permitted by the ABL Credit Agreement (and which, in the case of Liens permitted in respect of the Term Loan Facility pursuant to Section 10.2 thereof, are subject to the ABL Intercreditor Agreement) or (iii) relate to obligations no longer outstanding or are in respect of commitments to lend which have been terminated and, in each case, with respect to which the Grantors have provided to the Collateral Agent a payoff letter and UCC-3 termination statements and other releases satisfactory to the Collateral Agent.

3.2 Perfected Liens.

(a) After giving effect to the Transactions, this Security Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral (with respect to Collateral consisting of Capital Stock of Foreign Subsidiaries, Stock Equivalents issued by Foreign Subsidiaries and Indebtedness of Foreign Subsidiaries, to the extent the enforceability of such Security Interest is governed by the UCC), subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally, general equitable principles, and principles of good faith and fair dealing.

(b) Subject to the limitations set forth in clause (c) of this Section 3.2, the Security Interests granted pursuant to this Security Agreement (i) will constitute valid and perfected Security Interests in the Collateral (to the extent perfection may be obtained by the filings or other actions described in clause (A), (B) or (C) of this paragraph) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, upon (A) with respect to Collateral in which perfection can be obtained by filing a financing statement, the filing in the applicable filing offices of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral, (B) with respect to Instruments, Chattel Paper, Certificated Securities and negotiable Documents, delivery to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 8.1 hereof) of all Instruments, Chattel Paper, Certificated Securities and negotiable Documents in each case, properly endorsed for transfer in blank, (C) with respect to Deposit Accounts, upon the entering into of Blocked Account Agreements and (D) with respect to Intellectual Property that is not Excluded Property, completion or recordation of the filing of a fully executed agreement substantially in the form of Annex B hereof (the "Short-form Intellectual Property Security Agreement") and containing a description of all Collateral constituting Registered Intellectual Property in the United States Patent and Trademark Office, with respect to U.S. registered and applied for Patents and Trademarks, within 90 days from the execution date of such Short-form Intellectual Property Security Agreement, or in the United States Copyright Office, with respect to U.S. registered Copyrights, within thirty (30) days from the execution date of such Short-form Intellectual Property Security Agreement, as applicable and (ii) are prior to all other Liens on the Collateral other than Liens permitted pursuant to Section 10.2 of the ABL Credit Agreement (and which, in the case of Liens permitted in respect of the Term Loan Facility pursuant to Section 10.2 thereof, are subject to the ABL Intercreditor Agreement).

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Security Agreement or the Pledge Agreement by any means other than by (i) filings pursuant to the Uniform Commercial Code of the relevant State(s), (ii) filings approved or required by United States federal government offices with respect to Registered Intellectual Property under applicable United States law, (iii) delivery to the Collateral Agent (or a designated bailee,

in accordance with the ABL Intercreditor Agreement and Section 8.1 hereof) to be held in its possession of all Collateral consisting of (y) Pledged Shares and Pledged Debt (each as defined in the Pledge Agreement) and (z) Tangible Chattel Paper, Instruments or Certificated Securities (other than Pledged Shares and Pledged Debt) with a fair market value in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) individually; (iv) actions to perfect a security interest in Commercial Tort Claims to the extent set forth in Section 4.1(f); and (v) in the case of Collateral that consists of Deposit Accounts, taking the actions specified in Section 4.3. No additional actions shall be required hereunder with respect to any assets that are located outside of the United States or assets that require action under the law of any non-U.S. jurisdiction to create or perfect a security interest in such assets; it being understood, for the avoidance of doubt, that there shall be no requirement to execute any security agreement or pledge agreement governed by the laws of any non-U.S. jurisdiction. .

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses.

3.3 Schedules

(a) As of the Closing Date, Schedule 1 sets forth a true and complete list of all of each Grantor's United States registered and applied for Copyrights, including the name of the registered owner and the registration number.

(b) As of the Closing Date, Schedule 2 and Schedule 3 set forth a true and complete list of all of each Grantor's Patents and Trademarks, respectively, applied for or registered with the United States Patent and Trademark Office, including the name of the registered owner or applicant and the registration, application, or publication number, as applicable, of each United States Patent or United States registered Trademark owned by each Grantor.

(c) As of the Closing Date, Schedule 5(a) sets forth, with respect to each Grantor, (i) its exact legal name, as such name appears in its respective certificate of incorporation or formation or any other organizational document filed in its jurisdiction of incorporation, formation or organization, (ii) its type of organization, (iii) its organizational identification number, if any, (iv) its jurisdiction of formation and (v) the address of its chief executive office. As of the Closing Date, set forth in Schedule 5(b) hereto is a list of (w) any other corporate or organizational legal names each Grantor has had, together with the date of the relevant change, (x) all other names used by each Grantor, (y) any other business or organization to which each Grantor became the successor by merger, consolidation or acquisition, (other than any merger or consolidation with, or acquisition from, any other Grantor), and in each case to the extent such merger, consolidation or acquisition exceeded the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), and any changes in the form, nature or jurisdiction of organization or otherwise, and (z) all other names used by each Grantor on any filings with the Internal Revenue Service, in the case of each of clauses (w) through (z), at any time in the past five years. As of the Closing Date, except as set forth in Schedule 5(c), no Grantor has changed is jurisdiction of organization at any time during the past four months.

4. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Security Agreement until the Termination Date:

4.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) Except as otherwise permitted in the Credit Documents, such Grantor shall maintain the Security Interest created by this Security Agreement as a perfected Security Interest having at least the priority described in Section 3.2(b) and shall use commercially reasonable efforts to defend such Security Interest against the material claims and demands of all Persons (except to the extent that the Agent and the Borrower agree that the cost of such defense is excessive in relation to the benefit to the Lenders of the security interest and priority), in each case other than a Security Interest in assets of such Grantor subject to a disposition permitted by Sections 10.3 and 10.4 of the ABL Credit Agreement to a Person that is not a Credit Party, and in each case subject to Section 3.2(c).

(b) Such Grantor will furnish to the Collateral Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Such Grantor will (A) furnish to the Collateral Agent at the time of the delivery of the financial statements provided for in Section 9.1(a) of the ABL Credit Agreement: a schedule setting forth any new or additional Registered Intellectual Property owned by any Grantor, which has not been previously disclosed to the Collateral Agent, following the Closing Date (or following the date of the last supplement provided to the Collateral Agent pursuant to this Section 4.1(c)), all in reasonable detail, and (B) within thirty (30) days following the delivery of such financial statements, execute and file appropriate supplement agreements in substantially the same form as the Short-form Intellectual Property Security Agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, evidencing the Collateral Agent's security interest in such new or additional Registered Intellectual Property.

(d) Subject to clause (e) below, Section 3.2(c) and Section 4.1(a), each Grantor agrees that at any time and from time to time, at the expense of such Grantor, it will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents, including all applicable documents required under Section 3.2(b)(C)), which may be required under any applicable law, or which, subject to the terms of the ABL Intercreditor Agreement, the Collateral Agent may reasonably request, in order (i) to grant, preserve, protect and perfect the validity and priority of the Security Interests created or intended to be created hereby or (ii) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 3.2(b)(C), all at the expense of such Grantor.

(e) Notwithstanding anything in this Section 4.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the ABL Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a Subsidiary that is required by the ABL Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the ABL Credit Agreement and this Section 4.1.

(f) As of the date hereof, each Grantor hereby represents and warrants that it holds no Commercial Tort Claims with a claim value of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) or more other than those listed in Schedule 4. If any Grantor shall at any time hold or acquire a Commercial Tort Claim with a claim value of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the

most recently ended Test Period (calculated on a Pro Forma Basis) or more, such Grantor shall promptly (and in any event within thirty (30) days upon obtaining knowledge thereof, or such longer period as the Collateral Agent may reasonably agree) notify the Collateral Agent in a writing signed by such Grantor of the brief details thereof which writing shall serve to supplement Schedule 4 hereto.

(g) With respect to each material item of its Intellectual Property included in the Collateral, each Grantor agrees to take, at its expense, all commercially reasonable steps, including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office, to (i) maintain the validity and enforceability of such material Intellectual Property and maintain such material Intellectual Property in full force and effect, and (ii) pursue the registration and maintenance of each patent, trademark or servicemark registration or application, or copyright registration or application, now or hereafter included in such material Intellectual Property of such Grantor, including, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, and the payment of maintenance fees. Each Grantor shall take all commercially reasonable steps which it, or the Collateral Agent (during the continuation of an Event of Default and subject to the terms of the ABL Intercreditor Agreement), deems reasonable and appropriate under the circumstances to preserve and protect each material item of its Intellectual Property included in the Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the material Trademarks, at least consistent with the quality of the products and services as of the date hereof, and taking all commercially reasonable steps to ensure that all licensed users of any of the material Trademarks use such consistent standards of quality.

4.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent promptly (and in any event within thirty (30) days (or such longer period as the Collateral Agent may reasonably agree) of such change) a written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or, if not a registered organization, location for purposes of the UCC, (iii) in its type of organization or corporate structure which would impair the perfection and priority of the Security Interest granted hereby; or (iv) in its organizational identification number (if any). Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph and, subject to Section 3.2(c), take all other action reasonably necessary to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral.

4.3 Blocked Accounts; Cash Dominion. The Borrower will comply with the requirements under Section 9.17 of the ABL Credit Agreement.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts.

(a) At any time after the occurrence and during the continuance of an Event of Default and after giving reasonable notice to the Borrower and any other relevant Grantor, the Collateral Agent shall, subject to the terms of the ABL Intercreditor Agreement, have the right, but not the obligation, to make test verifications of the Accounts in any manner and through any medium that the Collateral Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Subject to the terms of the ABL Intercreditor Agreement, the Collateral Agent hereby authorizes each Grantor to collect such Grantor's Accounts and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default and after giving reasonable prior notice to the Borrower and any other relevant Grantor. If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two (2) Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 5.4 and (ii) until so turned over, shall, subject to the terms of the ABL Intercreditor Agreement, be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Collateral Agent's request at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, each Grantor shall deliver to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 8.1 hereof) all original (if available) and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including all original (if available) orders, invoices and shipping receipts.

(d) Upon the occurrence and during the continuance of an Event of Default, a Grantor shall not grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon if the Administrative Agent shall have instructed the Borrower and the other Grantors not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) Each Grantor hereby grants to the Collateral Agent, to be exercised solely upon the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, solely for the purpose of enabling Agent to exercise rights and remedies under this Article 5, and solely to the extent such grant would not constitute or result in the abandonment, termination, acceleration, invalidation of or rendering unenforceable any right, title or interest therein or result in a breach of the terms of, or constitute a breach or default under such Intellectual Property, a non-exclusive, fully paid-up, royalty-free, worldwide license to use, license or sublicense (on a non-exclusive basis) any of the Intellectual Property included in the Collateral and now owned or hereafter acquired by such Grantor (subject to the rights of any person or entity under any pre-existing license or other agreement); provided, however, that nothing in this Section 5.1 shall require any Grantor to grant any license that is prohibited by any rule of law, statute or regulation or is prohibited by, or constitutes a breach of default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation under any contract, license, agreement, instrument or other document evidencing, giving rise to a right to use or theretofore granted with respect to such property, provided, further, that such licenses to be granted hereunder with respect to Trademarks shall be subject to reasonable quality control standards applicable to each such Trademark as in effect as of the date such licenses hereunder are granted. Any license granted pursuant to this Section 5.1(d) shall be exercisable solely during the continuance of an Event of Default.

5.2 Communications with Credit Parties; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, after giving reasonable notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, each Grantor shall notify obligors on the Accounts that the Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Unless the Collateral Agent has, subject to the terms of the ABL Intercreditor Agreement, expressly in writing assumed the obligations and liabilities with respect thereto, and released the Grantors therefrom, neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.3 Proceeds to Be Turned Over To Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent, subject to the terms of the ABL Intercreditor Agreement, so requires by notice in writing to the relevant Grantor (it being understood that the exercise of remedies by the Secured Parties in connection with an Event of Default under Section 11.5 of the ABL Credit Agreement shall be deemed to constitute a request by the Administrative Agent for the purposes of this sentence and in such circumstances, no such written notice shall be required), all Proceeds received by any Grantor consisting of cash, checks and other near cash items shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall, subject to the terms of the ABL Intercreditor Agreement, be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. Subject to the ABL Intercreditor Agreement, the Collateral Agent shall apply the proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in the order set forth in Section 11.12 of the ABL Credit Agreement.

If, despite the provisions of this Security Agreement, any Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Obligations to which it is then entitled in accordance with this Security Agreement, such Secured Party shall, subject to the terms of the ABL Intercreditor Agreement, hold such payment or other recovery in trust for the benefit of all Secured Parties hereunder for distribution in accordance with this Section 5.4.

5.5 Code and Other Remedies. Subject to the terms of the ABL Intercreditor Agreement, if an Event of Default shall occur and be continuing, and after giving prior notice to the Borrower and any applicable Grantor, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other applicable law (whether or not the UCC applies to the affected Collateral) and also may with notice to the relevant Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange, broker's board, office of the Collateral Agent or any Secured Party or elsewhere for cash or on credit or for future delivery at such price or prices and upon such other terms as it may deem advisable irrespective of the impact of any such sales on the market price of the Collateral. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Grantor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.5 in accordance with the provisions of Section 5.4. This Section 5.5 and all the actions permitted hereunder shall be subject to the terms of the ABL Intercreditor Agreement

5.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable and documented fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency (in each case subject to the limitations set forth in Section 13.5 of the ABL Credit Agreement).

5.7 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the ABL Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Secured Cash Management Agreements, Secured Hedge Agreements and any other documents executed and delivered in connection therewith may, in accordance with Section 13.1 of the ABL Credit Agreement or any applicable Secured Cash Management Agreement or Secured Hedge Agreement, be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Hedge Agreement or Secured Cash Management Agreement, the Hedge Bank or Cash Management Bank party thereto) may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Security Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Grantor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Grantor or any other Person or any release of any Grantor or any other Person shall not relieve any Grantor in respect of which a demand or collection is not made or any Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

6. The Collateral Agent.

6.1 Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate with respect to such Grantor on the Termination Date or, if sooner, upon the termination or release of such Grantor hereunder pursuant to Section 6.5, effective upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or advisable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after the occurrence and during the continuance of an Event of Default and after written notice by the Collateral Agent to the Borrower and any applicable Grantor of its intent to do so, and in each case subject to the terms of the ABL Intercreditor Agreement:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account constituting Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Account constituting Collateral or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) upon at least three (3) Business Days' prior written notice, pay or discharge taxes and Liens levied or placed on or threatened against the Collateral (other than taxes not required to be discharged under the ABL Credit Agreement and other than Permitted Liens);

(iv) execute, in connection with any sale provided for in Section 5.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) obtain and adjust insurance required to be maintained by such Grantor pursuant to Section 9.3 of the ABL Credit Agreement;

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding with respect to the Collateral and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do; and

(xiii) provide any "notice of sole control" (or equivalent notice) under any Blocked Account Agreement (it being understood that (x) the right to provide any "notice of sole control" granted hereby is in addition to such rights granted under the ABL Credit Agreement and does not limit the exercise of such rights during the continuance of any Cash Dominion Trigger Period and (y) the Administrative Agent agrees not to execute or deliver any such "notice of control" except during the continuance of any Cash Dominion Trigger Period or an Event of Default.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing and after the expiration of any notice periods otherwise required hereunder or under any other Credit Document (except those rights granted under the ABL Credit Agreement with respect to providing any "notice of sole control" during any Cash Dominion Trigger Period).

(b) Subject to any limitations of the Collateral Agent to take actions as set forth in clause (a), if any Grantor fails to perform or comply with any of its agreements contained herein within a reasonable period of time after the Collateral Agent has requested it to do so, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable and documented out-of-pocket expenses of the Collateral Agent, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the ABL Credit Agreement, incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the ABL Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent within ten (10) Business Days of receipt by the Borrower of an invoice setting forth such expense in reasonable detail.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Security Agreement are coupled with an interest and are irrevocable until this Security Agreement is terminated and the Security Interests created hereby are released.

6.2 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any

Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own respective gross negligence or willful misconduct as determined in a final non-appealable judgment of a court of competent jurisdiction. The Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Secured Parties for any failure to monitor or maintain any portion of the Collateral.

6.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the ABL Intercreditor Agreement and the ABL Credit Agreement, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

6.4 Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional.

6.5 Continuing Security Interest; Assignments Under the ABL Credit Agreement; Release.

(a) This Security Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the ABL Credit Agreement until the date on which all Obligations (other than, in each case, any contingent indemnity obligations not then due, any Secured Hedge Obligations or any Secured Cash Management Obligations) shall have been satisfied by payment in full and the Commitments shall have been terminated and all Letters of Credit shall have expired or terminated and after all Letter of Credit Outstandings shall have been reduced to zero (or all such Letters of Credit and Letter of Credit Outstandings shall have been Cash Collateralized in a manner reasonably satisfactory to the applicable Letter of Credit Issuers) (such date, the "Termination Date"), notwithstanding that from time to time during the term of the ABL Credit Agreement, the Credit Parties may be free from any Obligations.

(b) A Grantor shall automatically be released from its obligations hereunder as it relates to the Obligations (as defined in the ABL Credit Agreement) if it ceases to be a Credit Party in accordance with Section 13.1 of the ABL Credit Agreement.

(c) The Security Interest granted hereby in any Collateral shall automatically be released as it relates to the Obligations (i) to the extent provided in Section 13.1 of the ABL Credit Agreement and (ii) upon the effectiveness of any written consent to the release of the Security Interest

granted hereby in such Collateral pursuant to Section 13.1 of the ABL Credit Agreement. Any such release in connection with any sale, transfer or other disposition of such Collateral permitted under the ABL Credit Agreement to a Person that is not a Credit Party shall result in such Collateral being sold, transferred or disposed of, as applicable, free and clear of the Lien and Security Interest created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release subject to, if reasonably requested by the Collateral Agent, the Collateral Agent's receipt of a certification by the Borrower and the applicable Grantor stating that such transaction is in compliance with the ABL Credit Agreement and the other Credit Documents. Any execution and delivery of documents pursuant to this Section 6.5 shall be without recourse to or warranty by the Collateral Agent.

6.6 Reinstatement. Each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other Person, including any Grantor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7. Collateral Agent As Agent.

(a) JPMorgan Chase Bank, N.A. has been appointed to act as the Collateral Agent under the ABL Credit Agreement, by the Lenders under the ABL Credit Agreement and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Security Agreement, the ABL Intercreditor Agreement and the ABL Credit Agreement, provided that the Collateral Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, except to the extent specifically set forth in Section 5 of the Guarantee, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the ratable benefit of the applicable Lenders and Secured Parties in accordance with the terms of this Section 7(a).

(b) The Collateral Agent shall at all times be the same Person that is the Collateral Agent under the ABL Credit Agreement. Written notice of resignation by the Collateral Agent pursuant to Section 12.9 of the ABL Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Security Agreement; removal of the Collateral Agent shall also constitute removal under this Security Agreement; and appointment of a Collateral Agent pursuant to Section 12.9 of the ABL Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Security Agreement. Upon the acceptance of any appointment as Collateral Agent under Section 12.9 of the ABL Credit Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon

succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Security Agreement, and the retiring or removed Collateral Agent under this Security Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Security Agreement and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the Security Interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Security Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was Collateral Agent hereunder.

(c) Neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable to any party for any action taken or omitted to be taken by any of them under or in connection with this Security Agreement or any Security Document (except for its or such other Person's own gross negligence or willful misconduct, as determined in a final non-appealable judgment of a court of competent jurisdiction).

8. Miscellaneous.

8.1 ABL Intercreditor Agreement. Notwithstanding anything herein to the contrary, (a) the liens and security interests granted to the Collateral Agent pursuant to this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of the ABL Intercreditor Agreement and (b) prior to the Discharge of Senior Secured Debt Obligations in respect of CF Debt Obligations (as such terms are defined in the ABL Intercreditor Agreement), any obligation hereunder to physically deliver any CF Debt Priority Collateral (as such term is defined in the ABL Intercreditor Agreement) to the Collateral Agent hereunder shall be deemed satisfied by the delivery thereof to the Term Loan Agent, acting as gratuitous bailee for the Collateral Agent in accordance with the ABL Intercreditor Agreement. In the event of any conflict between the terms of the ABL Intercreditor Agreement and the terms of this Security Agreement, the terms of such Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of the ABL Intercreditor Agreement.

8.2 Amendments in Writing. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Grantor and the Collateral Agent in accordance with Section 13.1 of the ABL Credit Agreement.

8.3 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the ABL Credit Agreement. All communications and notices hereunder to (i) any Grantor shall be given to it in care of the Borrower at Borrower's address set forth on Schedule 13.2 to the ABL Credit Agreement.

8.4 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.2), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any

other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.5 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay any and all reasonable and documented out of pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Grantor under this Security Agreement, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the ABL Credit Agreement.

(b) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes that may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Security Agreement.

(c) The agreements in this Section 8.5 shall survive repayment of the Obligations and all other amounts payable under the ABL Credit Agreement and the other Credit Documents.

8.6 Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Grantor may assign, transfer or delegate any of its rights or obligations under this Security Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the ABL Credit Agreement.

8.7 Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Security Agreement signed by all the parties shall be lodged with the Collateral Agent and the Borrower.

8.8 Severability. Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.9 Section Headings. The Section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Security Agreement together with the other Credit Documents represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth herein or in the other Credit Documents.

8.11 **GOVERNING LAW. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

8.12 Submission To Jurisdiction Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Security Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 8.3 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Grantor in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.12 any special, exemplary, punitive or consequential damages.

8.13 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Security Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Security Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Grantors and the Lenders and any other Secured Party.

8.14 Additional Grantors. Each Subsidiary that is required to become a party to this Security Agreement pursuant to Section 9.11 of the ABL Credit Agreement shall become a Subsidiary Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Security Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

8.15 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

ACADEMY, LTD.,
as Borrower

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY FINANCE CORPORATION,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY COM, L.L.C.,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

BRAZOS SPORTS RETAIL MANAGEMENT, L.L.C.,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and Chief Financial Officer

ACADEMY ADMINISTRATIVE SERVICES, L.L.C.,
as a Grantor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as the Collateral Agent

By: /s/ Candice Brooks
Name: Candice Brooks
Title: Authorized Officer

[Signature Page to ABL Security Agreement]

AMENDED AND RESTATED ABL PLEDGE AGREEMENT

THIS AMENDED AND RESTATED ABL PLEDGE AGREEMENT, dated as of July 2, 2015 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Pledge Agreement"), among New Academy Holding Company, LLC, a Delaware limited liability company, as Holdings ("Holdings"), Associated Investors L.L.C., a Texas limited liability company, Academy Managing Co., L.L.C., a Texas limited liability company (together Associated Investors L.L.C., the "Texas Intermediate Holdcos"), Academy, Ltd., a Texas limited partnership (the "Borrower"), each of the Subsidiaries listed on the signature pages hereto or that becomes a party hereto pursuant to Section 28 hereof (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors") and JPMorgan Chase Bank, N.A., as collateral agent (in such capacity, the "Collateral Agent") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, Holdings, the Texas Intermediate Holdcos and the Borrower are party to the First Amended and Restated ABL Credit Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "ABL Credit Agreement") among Holdings, the Texas Intermediate Holdcos, the Borrower, the lending institutions from time to time parties thereto (each a "Lender" and, collectively, together with the Swingline Lender, the "Lenders") and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and the Swingline Lender;

WHEREAS, (a) pursuant to the ABL Credit Agreement, (i) the Lenders have severally agreed to make available to the Borrower Revolving Credit Loans, (ii) the Letter of Credit Issuers have agreed to issue Letters of Credit for the account of the Borrower (or, so long as the Borrower is the primary obligor and a signatory to the Letter of Credit Request, for the account of Holdings or any Restricted Subsidiary of the Borrower), and (iii) the Swingline Lender has agreed to extend credit to the Borrower in the form of Swingline Loans, all upon the terms and subject to the conditions set forth therein and (b) one or more Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements with the Borrower and/or its Restricted Subsidiaries or Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries;

WHEREAS, the Borrower, the Subsidiary Pledgors and the Collateral Agent are party to the Pledge Agreement dated as of August 3, 2011 (the "Original Pledge Agreement");

WHEREAS, pursuant to the Amended and Restated ABL Guarantee, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), each Subsidiary Pledgor has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (as defined below; provided that, in the case of the Borrower, the guaranteed Obligations shall not include any of its own Obligations in its capacity as Borrower under the ABL Credit Agreement);

WHEREAS, it is intended that the Borrower will enter into, *inter alia*, a term loan facility (the "Term Loan Facility") generating aggregate gross proceeds of $1,825,000,000 pursuant to a First Amended and Restated Credit Agreement dated as of the date hereof among Holdings, the Texas Intermediate Holdcos, the Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent (the "Term Loan Agent");

WHEREAS, the ABL Intercreditor Agreement entered into on the date hereof between the Collateral Agent and the Term Loan Agent (the "ABL Intercreditor Agreement") governs the relative rights and priorities of the Secured Parties and the Term Loan Secured Parties (as defined therein) in respect of the Collateral and the CF Debt Priority Collateral (as defined below) (and with respect to certain other matters as described therein).

WHEREAS, the proceeds of the Loans, the issuance of the Letters of Credit and the provision of Secured Cash Management Agreements and Secured Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to the other Pledgors in connection with the operation of their respective businesses;

WHEREAS, each Pledgor acknowledges that it will derive substantial direct and indirect benefit from the making of the Loans, the issuance of the Letters of Credit and the provision of Secured Cash Management Agreements and Secured Hedge Agreements; and

WHEREAS, as of the date hereof, (a) the Pledgors are the legal and beneficial owners of the Equity Interests described in Schedule 1 hereto and issued by the entities named therein (such Equity Interests, together with any Equity Interests of the issuer of such Equity Interests or any other issuer directly held by any Pledgor hereafter, in each case, except to the extent excluded from the Collateral for the Obligations pursuant to the last paragraph of Section 2 below, referred to collectively herein as the "Pledged Shares") and (b) each of the Pledgors is the legal and beneficial owner of the Indebtedness evidenced by a promissory note in excess of the greater of (a) $45,000,000 and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) and described in Schedule 1 hereto (together with any other Indebtedness owed to any Pledgor on the date hereof and any time hereafter, including the promissory notes required to be pledged pursuant to Section 9.12 of the ABL Credit Agreement, referred to collectively herein as the "Pledged Debt");

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Letter of Credit Issuers and the Lenders to enter into the ABL Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower, the Letter of Credit Issuers to issue their respective Letters of Credit and the Swingline Lender to extend Swingline Loans to the Borrower, and to induce one or more Agent, Lenders or Affiliates of Agents or Lenders to enter into Secured Cash Management Agreements with Holdings and/or its Restricted Subsidiaries and Secured Hedge Agreements with the Borrower and/or its Restricted Subsidiaries, the Pledgors hereby agree with the Collateral Agent, for the benefit of the Secured Parties to amend and restate the Original Pledge Agreement in its entirety, as follows:

1. Defined Terms.

Unless otherwise defined herein, terms defined in the ABL Credit Agreement and used herein shall have the meanings given to them in the ABL Credit Agreement. Any term used herein or in the ABL Credit Agreement without definition that is defined in the UCC has the meaning given to it in the UCC.

(a) "CF Debt Priority Collateral" shall have the meaning assigned that term in the ABL Intercreditor Agreement.

(b) "Collateral" shall have the meaning provided in Section 2.

(c) "Collateral Agent" shall have the meaning provided in the preamble hereto.

(d) "Equity Interests" shall mean, collectively, Capital Stock and Stock Equivalents.

(e) "Guarantee" shall have the meaning provided in the recitals hereto.

(f) "Holdings" shall bear the meaning in the ABL Credit Agreement.

(g) "Obligations" shall mean the Obligations (as defined in the ABL Credit Agreement).

(h) "Pledge Agreement" shall have the meaning provided in the preamble hereto.

(i) "Pledged Debt" shall have the meaning provided in the recitals hereto.

(j) "Pledged Shares" shall have the meaning provided in the recitals hereto.

(k) "Pledgors" shall mean the Subsidiary Pledgors, Holdings, the Texas Intermediate Holdcos and the Borrower.

(l) "Proceeds" has the meaning given to it in the UCC.

(m) "Security Interest" shall have the meaning provided in Section 2.

(n) "Subsidiary Pledgor" shall have the meaning provided in the recitals hereto.

(o) "Termination Date" shall have the meaning ascribed thereto in Section 13(a).

(p) "UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(q) Sections 1.2, 1.5, 1.9 and 1.10 of the ABL Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

(r) "Texas Intermediate Holdcos" shall have the meaning provided in the recitals hereto.

2. Grant of Security. As collateral security for the payment and performance when due of all of the Obligations, each Pledgor hereby collaterally assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties, and grants to the Collateral Agent, for the benefit of the Secured Parties, and hereby confirms its prior assignment and pledge to the Collateral Agent, for the benefit of the Secured Parties of, and its prior grant to the Collateral Agent, for the benefit of the Security Parties of, a lien on and a security interest in (the "Security Interest") all of such Pledgor's right, title and interest in, to and under the following, whether now owned or existing or at any time hereafter acquired or existing (collectively, the "Collateral"):

(a) the Pledged Shares held by such Pledgor and the certificates representing such Pledged Shares and any interest of such Pledgor in the entries on the books of the issuer of the Pledged Shares or any financial intermediary pertaining to the Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(b) the Pledged Debt and the instruments evidencing the Pledged Debt owed to such Pledgor, and all interest, cash, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Collateral.

Notwithstanding the foregoing, the Collateral (and any defined term used in the definition thereof) for the Obligations shall not include any Excluded Stock and Stock Equivalents or any Excluded Property.

This Pledge Agreement amends and restates the Original Pledge Agreement. The obligations under the Original Pledge Agreement of the Pledgors party thereto and the grant of security interest in the Collateral under the Original Pledge Agreement by the applicable Pledgors party thereto shall continue under this Pledge Agreement, and shall not in any event be terminated, extinguished, annulled or otherwise affected in any manner hereby, but shall hereafter be governed by this Pledge Agreement. All references to the Pledge Agreement in any Credit Document or other document or instrument delivered in connection therewith shall be deemed to refer to the Original Pledge Agreement, as amended and restated pursuant to this Pledge Agreement and the provisions hereof. It is understood and agreed that the Original Pledge Agreement is being amended and restated by entry into this Pledge Agreement on the date hereof.

3. Delivery of the Collateral. All certificates or instruments, if any, representing or evidencing the Collateral shall be (a) in the case of such Collateral existing as of the date hereof, delivered on the date hereof, other than any that are delivered on a later date pursuant to Section 9.14(d) of the ABL Credit Agreement, as the case may be, (but subject, in each case, to the provisions of the ABL Intercreditor Agreement and Section 25 hereof) and (b) in the case of such Collateral acquired after the date hereof, promptly (and in any event within 90 days of the acquisition thereof (or such longer period as the Collateral Agent may reasonably agree)), delivered by the applicable Pledgor to and held by or on behalf of the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time after the occurrence and during the continuance of an Event of Default, subject to the ABL Intercreditor Agreement, and upon at least 3 Business Days' prior written notice to the relevant Pledgor, to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Pledged Shares.

4. Representations and Warranties. Each Pledgor represents and warrants, after giving effect to the Transactions, as follows:

(a) Schedule 1 hereto (i) correctly represents as of the Closing Date (A) the issuer, the certificate number, the Pledgor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of issuance and maturity date of all Pledged Debt and (ii) together with the comparable schedule to each supplement hereto, includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder. Except as set forth on Schedule 1, and except for Excluded Stock and Stock Equivalents, the Pledged Shares represent

all (or 66% in the case of pledges of the Voting Stock of Foreign Subsidiaries or any Domestic Subsidiary substantially all of the assets of which consist of Capital Stock and/or debt of Foreign Subsidiaries that are CFCs) of the issued and outstanding Equity Interests of each class of Equity Interests in the issuer on the Closing Date.

(b) Such Pledgor is the legal and beneficial owner of the Collateral pledged or collaterally assigned by such Pledgor hereunder free and clear of any Lien, except for Permitted Liens (and which, in the case of Permitted Liens in respect of the Term Loan Facility, are subject to the ABL Intercreditor Agreement) and the Lien created by this Pledge Agreement.

(c) As of the Closing Date, the Pledged Shares pledged by such Pledgor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable, in each case, to the extent such concepts are applicable in the jurisdiction of organization of the respective issuer.

(d) The execution and delivery by such Pledgor of this Pledge Agreement and the pledge of the Collateral pledged by such Pledgor hereunder pursuant hereto create a legal, valid and enforceable security interest in such Collateral (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the creation of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction) and, upon delivery of such Collateral to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) or filing of UCC financing statements, shall constitute a fully perfected Lien on and security interest in the Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the benefit of the Secured Parties (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the creation and perfection of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction), except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

(e) Such Pledgor has full organizational power, authority and legal right to pledge all the Collateral pledged by such Pledgor pursuant to this Pledge Agreement and this Pledge Agreement constitutes a legal, valid and binding obligation of each Pledgor (with respect to Collateral consisting of the Equity Interests or Pledged Debt of Foreign Subsidiaries, to the extent the enforceability of such Security Interest is governed by the Uniform Commercial Code of any applicable jurisdiction), enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

5. Certification of Limited Liability Company, Limited Partnership Interests, Equity Interests in Foreign Subsidiaries and Pledged Debt.

(a) With respect to any Equity Interests in any Subsidiary constituting Collateral that are not a security as defined in Section 8-102(a)(15) of the Uniform Commercial Code of any applicable jurisdiction or pursuant to Section 8-103 of the Uniform Commercial Code of any applicable jurisdiction, if any Pledgor shall take any action that, under such sections, converts such Equity Interests into a security, such Pledgor shall give prompt written notice thereof to the Collateral Agent and cause the issuer thereof to issue to it certificates or instruments evidencing such Equity Interests, which it shall promptly deliver to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) as provided in Section 3.

(b) Each Pledgor will comply with Section 9.12 of the ABL Credit Agreement.

(c) In the event that any Equity Interests in any Foreign Subsidiary constituting Collateral are not represented by a certificate, the Pledgors agree not to permit such Foreign Subsidiary to issue Equity Interests represented by a certificate to any other Person.

6. Further Assurances. Subject to the terms and limitations of Sections 9.11, 9.12 and 9.14 of the ABL Credit Agreement and 3.2(c) of the Security Agreement, each Pledgor agrees that at any time and from time to time, at the expense of such Pledgor, it will execute or otherwise authorize the filing of any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, deeds of trust and other documents), which may be required under any applicable law, or which the Collateral Agent may reasonably request, in order (x) to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby (including the priority thereof) or (y) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Each Pledgor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements (including financing statements describing collateral as "all assets" or words of similar effect), amendments to financing statements and, with notice to the applicable Grantors, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interest of the Collateral Agent under this Pledge Agreement.

7. Voting Rights; Dividends and Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Pledge Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to paragraph (c) below, each Pledgor shall be entitled to receive and retain and use, free and clear of the Lien created by this Pledge Agreement, any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the ABL Credit Agreement, as applicable; provided, however, that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) to hold as, Collateral and shall, if received by such Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) as Collateral in the same form as so received (with any necessary endorsement).

(c) Upon at least three Business Days' prior written notice to a Pledgor by the Collateral Agent that the Collateral Agent is exercising its rights under this Section 7(c), following the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement,

(i) all rights of such Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 7(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default, provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and during the continuance of an Event of Default, subject to the terms of the ABL Intercreditor Agreement, to permit the Pledgors to exercise such rights. After all Events of Default have been cured or waived, each Pledgor will have the right to exercise the voting and consensual rights that such Pledgor would otherwise be entitled to exercise pursuant to the terms of Section 7(a)(i) (and the obligations of the Collateral Agent under Section 7(a)(ii) shall be reinstated);

(ii) all rights of such Pledgor to receive the dividends, distributions and principal and interest payments that such Pledgor would otherwise be authorized to receive and retain pursuant to Section 7(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which, subject to the terms of the ABL Intercreditor Agreement, shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. After all Events of Default have been cured or waived, the Collateral Agent, subject to the terms of the ABL Intercreditor Agreement, shall repay to each Pledgor (without interest) all dividends, distributions and principal and interest payments not otherwise applied in accordance with Section 11(b) that such Pledgor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 7(b);

(iii) all dividends, distributions and principal and interest payments that are received by such Pledgor contrary to the provisions of Section 7(b) shall be received in trust for the benefit of the Collateral Agent and segregated from other property or funds of such Pledgor and shall forthwith be delivered to the Collateral Agent (or a designated bailee, in accordance with the ABL Intercreditor Agreement and Section 25 hereof) as Collateral in the same form as so received (with any necessary endorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 7(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to Section 7(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 7(c)(ii) and (c)(iii) above, such Pledgor shall from time to time execute and deliver to the Collateral Agent, appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request in writing, subject to the terms of the ABL Intercreditor Agreement and Section 25 hereof.

8. Transfers and Other Liens; Additional Collateral; Etc. Subject to the terms of the ABL Intercreditor Agreement, each Pledgor shall:

(a) not (i) except as permitted by the ABL Credit Agreement, sell or otherwise dispose of, or grant any option or warrant with respect to, any of the Collateral or (ii) create or suffer to exist any consensual Lien upon or with respect to any of the Collateral, except for Permitted Liens (and which, in the case of Permitted Liens in respect of the Term Loan Facility, are subject to the ABL Intercreditor Agreement) and the Lien created by this Pledge Agreement; provided that, subject to the

provisions of the ABL Intercreditor Agreement, in the event such Pledgor sells or otherwise disposes of assets as permitted by the ABL Credit Agreement to a Person that is not a Credit Party, and such assets are or include any of the Collateral, the Lien created by this Pledge Agreement shall be automatically released concurrently with the consummation of such sale, and upon the request of the applicable Pledgor the Collateral Agent shall evidence such release of such Collateral to such Pledgor; and

(b) use commercially reasonable efforts to defend its and the Collateral Agent's title or interest in and to all the Collateral (and in the Proceeds thereof) against any and all Liens (other than Permitted Liens (and which, in the case of Permitted Liens in respect of the Term Loan Facility, are subject to the ABL Intercreditor Agreement) and the Lien created by this Pledge Agreement), however arising, and any and all Persons whomsoever (except to the extent that the Collateral Agent and the Borrower agree that the cost of such defense is excessive in relation to the benefit to the Lenders thereof).

9. Collateral Agent Appointed Attorney-in-Fact. Each Pledgor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate with respect to such Pledgor on the Termination Date or, if sooner, upon the release of such Pledgor hereunder pursuant to Section 13, the Collateral Agent as such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise to take any action and to execute any instrument, in each case solely after the occurrence and during the continuance of an Event of Default (and upon prior written notice to such Pledgor that the Collateral Agent intends to take such action), that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Pledge Agreement, including to receive, indorse and collect all instruments made payable to such Pledgor representing any dividend, distribution or principal or interest payment in respect of the Collateral or any part thereof and to give full discharge for the same.

10. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Shares, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Secured Parties for any failure to monitor or maintain any portion of the Collateral.

11. Remedies. Subject to the terms of the ABL Intercreditor Agreement, if any Event of Default shall occur and be continuing, and after giving prior notice to the Borrower and any applicable Pledgor:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other applicable law (whether or not the UCC applies to the affected Collateral) and also may with notice to the relevant Pledgor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange broker's board or office

of the Collateral Agent or any Secured Party or elsewhere, for cash, on credit or for future delivery, at such price or prices and upon such other terms as it may deem advisable irrespective of the impact of any such sales on the market price of the Collateral. The Collateral Agent shall be authorized at any such sale of Pledged Shares or Pledged Debt (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Pledged Shares or Pledged Debt so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase all or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Pledgor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) Subject to the ABL Intercreditor Agreement, the Collateral Agent shall apply the Proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in the order set forth in Section 11.12 of the ABL Credit Agreement.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

(c) All payments received by any Pledgor in respect of the Collateral after the occurrence and during the continuance of an Event of Default, shall, subject to the provisions of the ABL Intercreditor Agreement, be received in trust for the benefit of the Collateral Agent shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

12. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Pledgor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Pledgor and without notice to or further assent by any Pledgor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the

ABL Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Secured Cash Management Agreements, Secured Hedge Agreements and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Hedge Agreement or Secured Cash Management Agreement, the Hedge Bank or Cash Management Bank party thereto) may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Pledge Agreement or any property subject thereto. When making any demand hereunder against any Pledgor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Pledgor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Pledgor or any other Person or any release of the Borrower or any Pledgor or any other Person shall not relieve any Pledgor in respect of which a demand or collection is not made or any Pledgor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Pledgor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

13. Continuing Security Interest; Assignments Under the ABL Credit Agreement; Release.

(a) This Pledge Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Pledgor and the successors and assigns thereof, and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the ABL Credit Agreement until the date on which all the Obligations (other than, in each case, any contingent indemnity obligations not then due, any Secured Hedge Obligations or any Secured Cash Management Obligations) shall have been satisfied by payment in full and the Commitments shall have been terminated and all Letters of Credit Outstanding shall have been reduced to zero (or all such Letters of Credit and Letters of Credit Outstanding shall have been Cash Collateralized in a manner reasonably satisfactory to the applicable Letter of Credit Issuers) (such date, the "Termination Date"), notwithstanding that from time to time during the term of the ABL Credit Agreement the Credit Parties may be free from any Obligations.

(b) Any Pledgor shall automatically be released from its obligations hereunder and the Collateral of such Pledgor shall be automatically released as it relates to the Obligations upon such Pledgor ceasing to be a Credit Party in accordance with Section 13.1 of the ABL Credit Agreement. Any such release in connection with any sale, transfer or other disposition of such Collateral permitted under the ABL Credit Agreement to a Person that is not a Credit Party shall result in such Collateral being sold, transferred or disposed of, as applicable, free and clear of the Liens of this Pledge Agreement.

(c) The Collateral shall be automatically released from the Liens of this Pledge Agreement as it relates to the Obligations (i) to the extent provided for in Section 13.1 of the ABL Credit Agreement and (ii) upon the effectiveness of any written consent to the release of the security interest granted in such Collateral pursuant to Section 13.1 of the ABL Credit Agreement.

(d) In connection with any termination or release pursuant to the foregoing paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Pledgor or authorize the filing of, at such Pledgor's expense, all documents that such Pledgor shall reasonably request to evidence such termination or release subject to, if reasonably requested by the Collateral Agent, the Collateral

Agent's receipt of a certification by the Borrower and the applicable Pledgor stating that such transaction is in compliance with the ABL Credit Agreement and the other Credit Documents. Any execution and delivery of documents pursuant to this Section 13 shall be without recourse to or warranty by the Collateral Agent.

14. Reinstatement. Each Pledgor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the Proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other Person, including any Pledgor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Pledgor in respect of the amount of such payment.

15. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the ABL Credit Agreement. All communications and notices hereunder to any Pledgor shall be given to it in care of Holdings at Holdings' address set forth on Schedule 13.2 to the ABL Credit Agreement.

16. Counterparts. This Pledge Agreement may be executed by one or more of the parties to this Pledge Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. Severability. Any provision of this Pledge Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

18. Integration. This Pledge Agreement together with the other Credit Documents represents the agreement of each of the Pledgors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth herein or in the other Credit Documents.

19. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Pledge Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Pledgor and the Collateral Agent in accordance with Section 13.1 of the ABL Credit Agreement.

(b) Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 19(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising,

on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion.

(c) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

20. Section Headings. The Section headings used in this Pledge Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

21. Successors and Assigns. This Pledge Agreement shall be binding upon the successors and assigns of each Pledgor and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors and permitted assigns, except that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Pledge Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the ABL Credit Agreement.

22. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS PLEDGE AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

23. Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Pledge Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 15 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Pledgor in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 23 any special, exemplary, punitive or consequential damages.

24. GOVERNING LAW. THIS PLEDGE AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

25. ABL Intercreditor Agreement. Notwithstanding anything herein to the contrary, (a) the liens and security interests granted to the Collateral Agent pursuant to this Pledge Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of the ABL Intercreditor Agreement and (b) prior to the Discharge of Senior Secured Debt Obligations of the Term Loan Secured Parties and any Additional Debt Secured Parties (as such terms are defined in the ABL Intercreditor Agreement), any obligation hereunder to physically deliver any CF Debt Priority Collateral (as such term is defined in the ABL Intercreditor Agreement) to the Collateral Agent hereunder shall be deemed satisfied by the delivery to the Term Loan Agent, acting as gratuitous bailee for the Collateral Agent in accordance with the ABL Intercreditor Agreement. In the event of any conflict between the terms of the ABL Intercreditor Agreement and the terms of this Pledge Agreement, the terms of the ABL Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of the ABL Intercreditor Agreement.

26. Enforcement Expenses; Indemnification.

(a) Each Pledgor agrees to pay any and all reasonable and documented out of pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Pledgor under this Pledge Agreement, in each case subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the ABL Credit Agreement.

(b) Each Pledgor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Pledge Agreement to the extent the Borrower would be required to do so pursuant to Section 13.5 of the ABL Credit Agreement.

(c) The agreements in this Section 26 shall survive repayment of the Obligations and all other amounts payable under the ABL Credit Agreement and the other Credit Documents.

27. Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Pledge Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Pledgor arising out of or in connection with this Pledge Agreement or any of the other Credit Documents, and the relationship between the Pledgors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Pledgors and the Lenders and any other Secured Party.

28. Additional Pledgors. Each Subsidiary of the Borrower or Holdings that is required to become a party to this Pledge Agreement pursuant to Section 9.11 of the ABL Credit Agreement shall become a Subsidiary Pledgor, with the same force and effect as if originally named as a Pledgor herein, for all purposes of this Pledge Agreement, upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Pledgor as a party to this Pledge Agreement shall not require the consent of any other Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Pledgor as a party to this Pledge Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Pledge Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

ACADEMY, LTD.,
as Borrower

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

NEW ACADEMY HOLDING COMPANY, LLC,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ASSOCIATED INVESTORS, L.L.C.
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY MANAGING CO., L.L.C.
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY FINANCE CORPORATION
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY.COM, L.L.C.,
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

BRAZOS SPORTS RETAIL MANAGEMENT L.L.C.
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

ACADEMY ADMINISTRATIVE SERVICES, L.L.C.
as a Pledgor

By: /s/ R. Michael Arnett
Name: R. Michael Arnett
Title: Executive Vice President and
Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as the Collateral Agent

By: /s/ Candice Brooks
Name: Candice Brooks
Title: Authorized Officer

[Signature Page to ABL Pledge Agreement]

Exhibit 10.13

EXECUTION VERSION

NEW ACADEMY HOLDING COMPANY LLC
2011 Unit Incentive Plan

1. Purpose of Plan

The New Academy Holding Company LLC 2011 Unit Incentive Plan (the "Plan") is designed to:

(a) promote the long term financial interests and growth of New Academy Holding Company LLC, a Delaware limited liability company (the "Company"), and its subsidiaries and Affiliates by attracting and retaining management and other personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company;

(b) motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) further the alignment of interests of participants with those of the Members of the Company and the direct and indirect members of the Company through opportunities for increased equity, or equity-based ownership, in the Company.

2. Definitions

Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Amended and Restated Limited Liability Company Agreement of the Company dated as of August 26, 2011, as amended, modified or supplemented from time to time (the "LLC Agreement"). As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" means with respect to any Person, any Person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with such Person.

(b) "Award" means a grant of a Unit or any Unit-based compensation made to a Participant pursuant to the Plan and described in Section 4.

(c) "Award Agreement" means a written agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Award.

(d) "Beneficial Owner" means a "beneficial owner", as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

(e) "Board" means (i) prior to an IPO, the Board of Managers of the Company and (ii) on or after an IPO, the board of directors of the Company.

(f) "Change of Control" means (a) the sale of all or substantially all of the assets of the Company or the Managing Member to any Person (or group of Persons acting in concert), other than to (A) the Managing Member or its Affiliates or (B) any employee benefit plan (or trust forming a part thereof) maintained by the Company or its Affiliates or other Person of which a majority of its voting power or other equity securities is owned, directly or indirectly, by the Company; (b) a merger, recapitalization or other sale by the Company, or the Managing Member or any of its respective Affiliates, to a Person (or group of Persons acting in concert) of equity interests that results in any Person (or group of Persons acting in concert) (other than (A) the Managing Member or its Affiliates or (B) any employee benefit plan (or trust forming a part thereof) maintained by the Company or its Affiliates or other Person of which a majority of its voting power or other equity securities is owned, directly or

indirectly, by the Company) owning more than 50% of the equity interests or voting power of the Managing Member or the Company (or any resulting company after a merger) or Academy, Ltd.; or (c) any event which results in the KKR 2006 Fund L.P. and its Affiliates ceasing to hold the ability to elect a majority of the Board; provided, however, that with respect to any Award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code and that, pursuant to its terms, would vest and/or become settled upon a Change of Control, the foregoing definition shall apply for purposes of vesting of such Award, but settlement of each such Award in connection with such Change of Control shall not occur until the earliest of (i) a Change of Control if such Change of Control constitutes a "change in the ownership of the corporation," a "change in effective control of the corporation" or a "change in the ownership of a substantial portion of the assets of the corporation," within the meaning of Section 409A(a)(2)(A)(v) of the Code; (ii) the date such Award would otherwise have been settled pursuant to the terms of the Award Agreement; and (iii) the Participant's "separation of service" within the meaning of Section 409A.

(g) "Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.

(h) "Committee" means the committee described in Section 3 hereof (or if a committee has not been appointed by the Board, the Board shall be deemed to be the Committee for purposes of this Plan) or the Board, if it acts in lieu of the Committee.

(i) "Disabled" or "Disability" shall have the meaning in any Individual Agreement to which the Participant is a party, or if there is no such Individual Agreement or it does not define "Disability", "Disabled" or "Disability" shall have the meaning set forth in the LLC Agreement or a given Award Agreement, as applicable, provided, however, that, with respect to an Award that constitutes a "nonqualified deferred compensation plan" subject to Section 409A, with respect to such Award, the terms "Disabled" and "Disability" shall have the meaning set forth above for purposes of vesting of such Award, provided that such Award shall not be settled until the earliest of: (i) the Participant's "disability" within the meaning of in Section 409A of the Code and Treasury Regulation Section 1.409A-3(i)(4) thereunder; (ii) the Participant's "separation from service" within the meaning of Section 409A; and (iii) the date such Award would otherwise be settled pursuant to the terms of the Award Agreement.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor act thereto.

(k) "Fair Market Value" means the fair market value of one Membership Unit on any given date, without minority or illiquidity discount, as determined reasonably and in good faith by the Board; provided, however, such valuation method shall be in accordance with Section 409A, to the extent applicable and/or appropriate. The Committee may in good faith adopt a different methodology for determining Fair Market Value if necessary or advisable to secure any intended favorable tax, legal or other treatment for the particular Award.

(l) "Group" means "group," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(m) "Individual Agreement" means an employment, consulting or similar agreement between a Participant and the Company or one of its subsidiaries or Affiliates.

(n) "IPO" means the first firm commitment underwritten public offering and sale of (x) Membership Units or (y) of equity securities into which Membership Units are convertible or

exchangeable of (i) the Company or any successor entity formed or into which the Company is converted or (ii) any corporation (including, as appropriate, a blocker entity) that owns directly or indirectly interests in the Company or any other entity similarly formed to facilitate the foregoing, pursuant to an effective registration statement (other than on Form S-4, S-8 or a comparable form) or the Company or any successor entity formed or into which the Company is converted becoming a reporting company with respect to its common equity securities under Sections 12 or 15 of the Exchange Act or equivalent foreign rule or regulation.

(o) "Managing Member" means Allstar LLC, a Delaware limited liability company.

(p) "Participant" means an employee, director or member, consultant or other service provider of the Company or any of its affiliates who is selected by the Board or the Committee to participate in the Plan, including any Person to whom one or more Awards have been made and remain outstanding.

(q) "Person" means "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(r) "Section 409A" means Section 409A of the Code, as amended, and the regulations, rulings, notices or other guidance promulgated thereunder.

(s) "Unit Option" means an option to purchase Membership Units granted pursuant to the Plan.

3. Administration of Plan

(a) The Plan shall be administered by the Board or, if the Board shall so determine, by a Committee consisting of one or more members of the Board. The members of the Committee shall be selected by the Board. Any member of the Committee may resign by giving written notice thereof to the Board, and any member of the Committee may be removed at any time, with or without cause, by the Board. If, for any reason, a member of the Committee shall cease to serve, the vacancy shall be filled by the Board. During any period of time in which the Plan is administered by the Board, all references in the Plan or any Award Agreement to the Committee shall be deemed to refer to the Board.

(b) Except as otherwise provided in an Award Agreement, the Committee shall have full power and authority to administer and interpret the Plan, Awards granted under the Plan and each Award Agreement, including, without limitation, the power to (i) exercise all of the powers granted to it under the Plan, (ii) construe, interpret and implement the Plan and any Award Agreement, (iii) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (iv) make all determinations necessary or advisable in administering the Plan, Awards and any Award Agreements, (v) correct any defect, supply any omission and reconcile any inconsistency in the Plan, Awards or any Award Agreement, (vi) amend the Plan, Awards and any Award Agreement to reflect changes in applicable law or, without the consent of the Participants, make any other amendment not adverse to the Participants, (vii) determine from among those persons determined to be eligible for the Plan, the particular persons who will be Participants, (viii) grant Awards under the Plan and determine the terms and conditions of such Awards, consistent with the express limitations of the Plan, (ix) delegate such powers and authority to such persons as it deems appropriate; provided that any such delegation is consistent with applicable law and any guidelines as may be established by the Board from time to time and (x) waive any conditions under any Awards. Except as otherwise provided in an Award Agreement, the determination of the Committee on all matters relating to the Plan, Award Agreement or any Awards in good faith and with and upon advice of counsel shall be final, binding and conclusive upon all persons.

(c) The Committee may employ counsel, consultants, accountants, appraisers, brokers or other persons at the expense of the Company. The Board, Committee, the Company, and the officers, and Members of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. Except as otherwise provided in an Award Agreement, all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Awards, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

4. Awards

(a) From time to time, the Committee will determine the form, amounts, terms, conditions and limitations of Awards, consistent with the terms of this Plan. The form, amount, terms, conditions and limitations of each Award under the Plan shall be set forth in an Award Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; provided, however, that such Award Agreement shall contain provisions dealing with the treatment of Awards in the event of the termination of employment or service (as applicable), Disability or death of a Participant. Such Awards may take the following forms described in Section 4(b) and 4(c) hereunder, in the Committee's sole discretion.

(b) An Award may be made by the Committee in the form of Unit Options, in which case the Award Agreement evidencing such Award shall include, *inter alia*, the option exercise period and the option exercise price (which shall not be less than 100% of the Fair Market Value of a Membership Unit on the date the Unit Option is granted, other than in the case of Unit Options granted in substitution of previously granted awards as described herein) and such other terms, conditions or restrictions on the grant or exercise of the Unit Option as the Committee deems appropriate not inconsistent with this Plan. In addition to other restrictions contained in the Plan, an option granted under this Section 4(b) may not be exercised more than 10 years after the date it is granted. Except as otherwise provided in an Award Agreement or as the Committee may determine, the purchase price for the Membership Units as to which a Unit Option is exercised shall be paid in full at the time of exercise at the election of the Participant (i) in cash, (ii) with the consent of the Committee, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Participant has held for at least six months (or such other period of time as may be required by the Company's accountants), (iii) with the consent of the Committee, through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Unit Option in a manner that is compliant with applicable law, or (iv) a combination of the foregoing methods, in each such case in accordance with the terms of the Plan and the Option Agreement; provided, that except as otherwise provided in an Award Agreement, the Participant will pay any taxes due in respect of such exercise in cash. No Participant shall have any rights to distributions or other rights of a Membership Unit holder with respect to Membership Units subject to a Unit Option until the Participant has given written notice of exercise of the Unit Option, the Participant has paid in full for such Membership Units, the Membership Units in question have been recorded on the Company's register of interest holders, and if applicable, the Participant has satisfied any other conditions reasonably imposed by the Company pursuant to and in accordance with the Plan and the applicable Award Agreement.

(c) An Award may be made by the Committee in the form of restricted Membership Units, phantom Membership Units, warrants or other securities that are convertible, exercisable or exchangeable for or into Membership Units, or based on the Fair Market Value of Membership Units in which case the Award Agreement evidencing such Award shall include, *inter alia*, such terms, conditions or restrictions, as the Committee determines appropriate. Unless otherwise agreed by the Committee or provided in any Award Agreement, the Participant will pay any taxes due in respect or any Award in cash.

(d) As a condition to the exercise, settlement, conversion or exchange of an Award into Membership Units, or the grant of an Award of Membership Units (including restricted Membership Units), the Participant will be required to become a party to the LLC Agreement, execute such other documents and instruments as are reasonably and customarily required by the Company to evidence compliance with applicable federal and state securities and "blue sky" laws, and the Membership Units acquired will be held subject to, and in compliance with, the terms and conditions of the LLC Agreement.

5. Membership Units Subject to the Plan; Limitations and Conditions

(a) Subject to Section 8, the number of Membership Units available for Awards under this Plan shall be equal to 18,160,000 Membership Units. Unless restricted by applicable law, Membership Units related to Awards that are forfeited, terminated, canceled or expire unexercised shall immediately become available for new Awards.

(b) No Awards shall be granted under the Plan beyond ten years after the effective date of the Plan as set forth in Section 13, but the terms of Awards made on or before the expiration of the Plan may extend beyond such expiration date. At the time an Award is made or amended or the terms or conditions of an Award are changed in accordance with the terms of the Plan or the Award Agreement, the Committee may provide for limitations or conditions on such Award.

(c) No such Awards shall, prior to vesting and delivery thereof to the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(d) Other than as specifically provided in the LLC Agreement, the Award Agreement and/or in the Management Unitholder's Agreement to be entered into by and between the Company and a given Participant (the "Management Unitholder's Agreement"), no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(e) Unless otherwise determined by the Committee and other than as specifically provided in the LLC Agreement, the Award Agreement and/or in the Management Unitholder's Agreement, an Award shall not be transferable or assignable by the Participant other than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by his legatees, personal representative, or distributees.

(f) Other than as specifically provided in the LLC Agreement, the Award Agreement and/or in the Management Unitholder's Agreement, Participants shall not be, and shall not have any of the rights or privileges of, Members of the Company in respect of any Awards exercisable, settled, convertible or exchangeable into Membership Units, unless and until book entry representing such Membership Units has been made and admission of the Participant as a Member pursuant to the LLC Agreement has occurred.

(g) Except as otherwise determined by the Committee or as specifically provided in the LLC Agreement, the Award Agreement and/or in the Management Unitholder's Agreement, no exercise of any Award may be made during a Participant's lifetime by anyone other than the Participant, except by a legal representative appointed for or by the Participant in accordance with the requirements set forth by the Company.

(h) Absent express provisions to the contrary in the applicable retirement, severance and/or other benefit plan or arrangement, any Award under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement or severance plan of the Company or its Affiliates and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation.

6. Transfers and Leaves of Absence

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any of its Affiliates shall not be deemed a termination of employment, and (b) a Participant who is awarded in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company (and any of its Affiliates) during such leave of absence.

7. Adjustments

(a) In the event of any equity split, spin off, equity distribution or dividend (other than regular cash dividends or distributions), equity combination, reclassification, recapitalization, liquidation, dissolution, reorganization, merger, or similar event, the Committee shall adjust appropriately (i) the number and kind of Membership Units subject to the Plan, as set forth in Sections 5 and 6 hereof, and available for or covered by Awards and (ii) the exercise prices of Unit Options and Membership Unit prices related to outstanding Awards, and make such other revisions or substitutions to outstanding Awards, in each case, as it deems, in good faith, to be equitable or required; provided that (A) any adjustments made pursuant to Sections 7 or 8 to Awards that are considered "deferred compensation" within the meaning of Section 409A shall be made in compliance with the requirements of Section 409A of the Code; (B) any adjustments made pursuant to Section 7 or 8 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (1) continue not to be subject to Section 409A or (2) comply with the requirements of Section 409A; and (3) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant to Sections 7 or 8 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A at the time of grant to be subject thereto as of the time of grant.

(b) Any adjustment provided under this Section 7 may, in the Committee's discretion, provide for the elimination of any fractional Membership Unit that might otherwise become subject to an Award

8. Merger, Consolidation, Exchange, Acquisition, Liquidation or Dissolution

In the event of a Change of Control after the effective date of the Plan, the Committee may (subject to Section 11), in its sole discretion, provide for one or more of the following: (i) adjust all Awards as contemplated in Section 7 hereof, (ii) accelerate the vesting and/or exercisability of Awards, subject to the consummation of such Change of Control, (iii) cancel Awards for fair value (as determined in the sole reasonable discretion of the Committee) which, in the case of Unit Options or other Awards subject to exercise shall be not less than the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of Membership Units subject to such Award (or, if no consideration is paid in any such transaction, the Fair Market Value of the Membership Units subject to such Award) over the aggregate option price of such Award; (iv) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder or (v) provide that for a period of at least 20 days prior to the

Change of Control and following written notice to any affected Participants, the Unit Options or other Awards subject to exercise shall be exercisable as to all Membership Units subject thereto (whether vested or unvested) and that upon the occurrence of the Change of Control, to the extent not theretofore exercised by the Participant, such Award shall terminate and be of no further force and effect.

9. Amendment and Termination

(a) The Committee shall have the authority to make such amendments to any outstanding Awards as are consistent with this Plan, provided that no such action shall modify any Award in a manner adverse in any material respect to the Participant without the Participant's consent except as such modification is provided for or contemplated in the terms of the Award or this Plan (including, for the avoidance of doubt, pursuant to Sections 7 or 8 hereof).

(b) Other than as specifically provided in any Award Agreement, the Board may amend, suspend or terminate the Plan except; that no such action, other than an action under Sections 7 or 8 hereof, may be taken which would, without Member approval, increase the aggregate number of Membership Units available for Awards under the Plan, decrease the price of outstanding Awards, change the requirements relating to the Committee as set forth in Section 3 hereof, or extend the term of the Plan.

10. Governing Law

(a) This Plan shall be governed in all respects by the laws of the State of Delaware without giving effect to the principal of conflict of laws.

(b) The Committee may make Awards to employees, non-employee members of the Board, consultants, or other persons having a relationship with the Company or any of its Affiliates who are subject to the laws of jurisdictions other than those of the United States, which Awards may have terms and conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with non-US, laws or otherwise as deemed to be necessary or desirable by the Committee.

11. Conformity to Section 409A

It is intended that all Awards under this Plan and any Award Agreement, either be exempt from or comply with Section 409A. All Unit Options or other similar Awards that are granted with an exercise price shall be granted with an exercise price such that the Award would not constitute deferred compensation under Section 409A or shall otherwise be structured to avoid taxation under Section 409A unless and to the extent that the Committee specifically determines otherwise. Any ambiguity in this Plan and any Award Agreement shall be interpreted to comply with Section 409A. In the case of an Award that constitutes a "nonqualified deferred compensation plan" subject to Section 409A, no termination of employment shall be deemed a termination from employment for purposes of such Award unless it is a "separation from service" under Section 409A. To the extent applicable, as determined in the sole discretion of the Committee with and upon advice of counsel, (a) each amount or benefit payable pursuant to this Plan and any Award Agreement shall be deemed a separate payment for purposes of Section 409A and (b) in the event the equity interests of the Company are publicly traded on an established securities market or otherwise and the Participant is a "specified employee" (as determined under the Company's administrative procedure for such determinations, in accordance with Section 409A) at the time of the Participant's termination of employment, any payments under this Plan or any Award Agreement that are deemed to be non-qualified deferred compensation subject to Section 409A and that are payable (whether in cash, Membership Units or other property) in connection with the Participant's separation from service shall not be paid or begin payment until the earlier of the Participant's death and the first day following the six (6) month anniversary of the Participant's separation from service. The Committee shall use

commercially reasonable efforts to implement the provisions of this Section 11 in good faith; provided that neither the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 11 to the extent administered in accordance therewith and with the terms of the Award Agreement.

12. Withholding Taxes

If the Company and/or any Affiliate shall be required to withhold any amounts by reason of any Federal, State, local or foreign tax rules or regulations in respect of any Award, the Company and/or any Affiliate shall be entitled to take such action as it deems appropriate in order to ensure compliance with such withholding requirements. The Company or any of its Affiliates shall have the right, at its option, to (a) require the Participant to pay or provide for payment of the amount of any taxes which the Company or any of its Affiliates may be required to withhold with respect to such Award, (b) deduct from any amount otherwise payable in cash (whether related to the Award or otherwise) to the Participant the amount of any taxes which the Company or any of its Affiliates may be required to withhold with respect to such Award, or (c) if the Committee determines, to withhold Membership Units subject to the Award having a Fair Market Value of the minimum amount of any taxes which the Company or any of its Affiliates are required to withhold with respect to such Award.

13. Effective Date and Termination Dates

The Plan shall be effective as of August 3, 2011 and shall terminate ten years later, subject to earlier termination by the Board pursuant to Section 9.

14. Miscellaneous

(a) ERISA. This Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended.

(b) No Right of Employment or Service. Nothing contained herein, in an Award Agreement or in an Award shall confer on any employee, director or consultant any right to be continued in the employ or service of the Company and/or any Affiliates, constitute any contract or agreement of employment or other service or affect an employee's status as an at-will employee, nor shall anything contained herein, in any Award Agreement or an Award affect any rights which the Company and/or its Affiliates may have to change a person's compensation or other benefits or terminate such person's employment or association with the Company and/or its Affiliates for any reason (with or without cause, with or without compensation) at any time.

(c) Funding. Unless the Committee determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any of its Affiliates, nor shall any assets of the Company or any of its Affiliates be designated as attributable or allocated to the satisfaction of the Company's obligations under the Plan.

(d) Non-Uniform Determinations. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive or are eligible to receive Awards (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to the persons to receive Awards under the Plan and the terms and provisions of Awards under the Plan.

(e) Section Headings; Construction. The section headings contained herein are for the purpose of convenience only and are not intended to define or limit the contents of the sections. All words used in this Plan shall be construed to be of such gender or number, as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

(f) Severability. In the event any provision of the Plan or any Award Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the illegality, invalidity or unenforceability shall not affect the remaining provisions of the Plan and such Award Agreement and such illegal, invalid or unenforceable provision shall be deemed modified as it such provision had not been included.

(g) Survival of Terms; Conflicts. The provisions of the Plan shall survive the termination of the Plan to the extent consistent with, or necessary to carry out, the purposes thereof. Each Award Agreement remains subject to the terms of the Plan, however, in the event of any conflict between specific provisions of the Plan and an Award Agreement, the Award Agreement shall control.

(h) Arbitration. Any dispute with regard to the enforcement of this Plan and any Award Agreement hereunder shall be exclusively resolved by a single experienced arbitrator licensed to practice law in the State of Texas, selected in accordance with the American Arbitration Association ("AAA") rules and procedures, at an arbitration to be conducted in the State of Arizona pursuant to the National Rules for the Resolution of Employment Disputes rules of AAA with the arbitrator applying the substantive law of the State of Delaware as provided for under Section 10(a) hereof. The AAA shall provide the parties hereto with lists for the selection of arbitrators composed entirely of arbitrators who are members of the National Academy of Arbitrators and who have prior experience in the arbitration of disputes between employers and senior executives. The determination of the arbitrator shall be final and binding on the parties hereto and judgment therein may be entered in any court of competent jurisdiction. Each party shall pay its own attorneys fees and disbursements and other costs of the arbitration.

IN WITNESS WHEREOF, the undersigned officer of the Company hereby certifies that the Plan was adopted by the written consent of the Board, duly executed on August 30, 2011.

By: /s/ Rodney Faldyn
Name: Rodney Faldyn
Title: President and CEO

[Signature Page to Incentive Plan]

NEW ACADEMY HOLDING COMPANY LLC
TIME OPTION AWARD AGREEMENT

THIS TIME OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual/participant whose name is set forth on the Master Signature Page attached to this Award (the "Grantee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Grantee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Grantee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Grantee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Time Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Grantee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Grantee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Grantee's failure to reach the material and reasonable goals set forth for the Grantee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Grantee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Grantee's drug or alcohol abuse, (vi) Grantee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Grantee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Grantee from substantially performing the Grantee's material duties for a period of one-hundred and eighty (180) consecutive days.

Section 1.3. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.4. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Grantee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 1.5. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Time Option. For all purposes hereunder, the Exercise Price of the Time Option shall initially be the Exercise Price set forth on the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to the Plan.

Section 1.6. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement.

Section 1.7. New Position

"New Position" shall have the meaning ascribed to such term in Section 3.3.

Section 1.8. Time Option

"Time Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Grantee under Section 2.1 of this Award.

ARTICLE II

GRANT OF TIME OPTION

Section 2.1. Grant of Time Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Grantee the Time Option set forth on the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) Subject to Section 3.1(c) and so long as the Grantee continues to be Employed through the relevant vesting dates, the Time Option shall become vested and exercisable based on elapsed time, such that 1/48th of the Time Option shall become vested and exercisable on each monthly anniversary of the Grant Date, with 100% of the Time Option being vested and exercisable on the 48th monthly anniversary of the Grant Date; provided, that if the Grantee's Employment is terminated by the Company without Cause or due to the Grantee's resignation for Good Reason at any time prior to the sixth monthly anniversary of the Grant Date, then 6/48s of the Time Option shall be vested and exercisable on the date of such termination.

(b) Notwithstanding any of the foregoing, upon a termination of the Grantee's Employment at any time by reason of death or Disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(c) Notwithstanding any of Sections 3.1(a) or 3.1(b) above, in connection with any Change of Control, any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

Section 3.2. Expiration of Time Option

The Grantee may not exercise the exercisable portion of the Time Option to any extent and the unexercised portion of the Time Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Grantee's termination of Employment, if the Grantee's Employment is terminated by reason of death or Disability; or

(c) one hundred eighty (180) days after the date of the Grantee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Grantee for Good Reason; or

(d) immediately upon the date of the Grantee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Grantee without Good Reason; or

(f) the date the Time Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF TIME OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Grantee (other than in the case of the Disability of the Grantee), only the Grantee may exercise the Time Option or any portion thereof. After the Disability or death of the Grantee, any exercisable portion of the Time Option may, prior to the time when the Time Option becomes unexercisable under Section 3.2, be exercised by the Grantee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Time Option or the entire Time Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Time Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Time Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Time Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Grantee or any other person then entitled to exercise the Time Option or portion thereof, stating that the Time Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Time Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Grantee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Time Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Grantee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Grantee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Time Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Time Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Grantee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Grantee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Time Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Grantee of Membership Units purchased upon the exercise of the Time Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Time Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Time Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Grantee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Time Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

Section 4.6 Exchange for Class B Units of Allstar Managers, LLC

The Grantee agrees that, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having a value equivalent to the Membership Units that are otherwise purchasable upon exercise of any exercisable portion of the Options may be issued to Grantee in lieu of such Membership Units and in satisfaction of the Company's obligation following such exercise; provided, that following

the consummation of an IPO, such issuance may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan); provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in accordance with the foregoing may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Time Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Grantee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Grantee shall be addressed to the Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Time Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Time Option, and the Membership Units issued to the Grantee upon exercise of the Time Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Time Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Time Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Grantee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an employee's status as an at-will employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Grantee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Time Option provided to the Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "***Award Governing Documents***"), the Award Governing Documents shall control.

* * * * *

This Time Option Award Agreement between the Company and the Grantee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC TIME OPTION AWARD AGREEMENT

THIS TIME OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual/participant whose name is set forth on the Master Signature Page attached to this Award (the "Grantee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Grantee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Grantee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Grantee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Time Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Grantee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Grantee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Grantee's failure to reach the material and reasonable goals set forth for the Grantee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Grantee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Grantee's drug or alcohol abuse, (vi) Grantee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Grantee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Grantee from substantially performing the Grantee's material duties for a period of one- hundred and eighty (180) consecutive days.

Section 1.3. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.4. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Grantee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 1.5. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Time Option. For all purposes hereunder, the Exercise Price of the Time Option shall initially be the Exercise Price set forth on the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to the Plan.

Section 1.6. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement.

Section 1.7. New Position

"New Position" shall have the meaning ascribed to such term in Section 3.3.

Section 1.8. Time Option

"Time Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Grantee under Section 2.1 of this Award.

ARTICLE II

GRANT OF TIME OPTION

Section 2.1. Grant of Time Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Grantee the Time Option set forth on the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) Subject to Section 3.1(c) and so long as the Grantee continues to be Employed through the relevant vesting dates, the Time Option shall become vested and exercisable based on elapsed time, such that the percentages of the Time Option set forth in the table entitled Time Option Vesting Schedule on **Appendix A** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table.

(b) Notwithstanding any of the foregoing, upon a termination of the Grantee's Employment at any time by reason of death or Disability, that portion of the Time Option that would have become vested and exercisable on the vesting date of the Time Option immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(c) Notwithstanding any of Sections 3.1(a) or 3.1(b) above, in connection with any Change of Control, any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

Section 3.2. Expiration of Time Option

The Grantee may not exercise the exercisable portion of the Time Option to any extent and the unexercised portion of the Time Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Grantee's termination of Employment, if the Grantee's Employment is terminated by reason of death or Disability; or

(c) one hundred eighty (180) days after the date of the Grantee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Grantee for Good Reason; or

(d) immediately upon the date of the Grantee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Grantee without Good Reason; or

(f) the date the Time Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF TIME OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Grantee (other than in the case of the Disability of the Grantee), only the Grantee may exercise the Time Option or any portion thereof. After the Disability or death of the Grantee, any exercisable portion of the Time Option may, prior to the time when the Time Option becomes unexercisable under Section 3.2, be exercised by the Grantee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Time Option or the entire Time Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Time Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Time Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Time Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Grantee or any other person then entitled to exercise the Time Option or portion thereof, stating that the Time Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Time Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Grantee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Time Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Grantee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Grantee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Time Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Time Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Grantee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Grantee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Time Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Grantee of Membership Units purchased upon the exercise of the Time Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Time Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Time Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Grantee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Time Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

Section 4.6 Exchange for Class B Units of Allstar Managers, LLC

The Grantee agrees that, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having a value equivalent to the Membership Units that are otherwise purchasable upon exercise of any exercisable portion of the Options may be issued to Grantee in lieu of such Membership Units and in satisfaction of the Company's obligation following such exercise; provided, that following the consummation of an IPO, such issuance may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan); provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in accordance with the foregoing may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Time Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Grantee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Grantee shall be addressed to the Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Time Option Subject to Plan and Management Unitholder 's Agreement; Survival of Terms; Conflicts

The Time Option, and the Membership Units issued to the Grantee upon exercise of the Time Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Time Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Time Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Grantee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an employee's status as an at-will employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Grantee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Time Option provided to the Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "***Award Governing Documents***"), the Award Governing Documents shall control.

* * * * *

This Time Option Award Agreement between the Company and the Grantee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Time Option Vesting Schedule

The following percentages of the Time Option:	Shall become vested and exercisable on the following corresponding anniversaries of the Grant Date:
25%	First anniversary of the Grant Date
25%	Second anniversary of the Grant Date
25%	Third anniversary of the Grant Date
25%	Fourth anniversary of the Grant Date

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

(2019 CEO FORM)

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual/participant whose name is set forth on the Master Signature Page attached to this Award (the "Grantee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Grantee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Grantee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Grantee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement.

Section 1.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on Appendix A attached hereto.

Section 1.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 1.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.7. Employment Agreement

"Employment Agreement" means the employment agreement by and among the Grantee, the Company and Academy Managing Co., L.L.C., dated as of May 16, 2018, as amended from time to time.

Section 1.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Option. For all purposes hereunder, the Exercise Price of the Option shall initially be the Exercise Price set forth on Section B of the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to Section 2.2.

Section 1.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement.

Section 1.10. Grant Year

"Grant Year" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.13. Option

"Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Grantee under Section 2.1 of this Award.

Section 1.14. Performance Option

"Performance Option" means that portion of the Option granted to the Grantee hereunder that becomes vested and exercisable pursuant to Section 3.1(b) of this Award.

Section 1.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in Appendix A attached hereto.

Section 1.17. Time Option

"Time Option" means that portion of the Option granted to the Grantee hereunder that becomes vested and exercisable pursuant to Section 3.1(a) of this Award.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Grantee an option to purchase any part or all of an aggregate of the number and series of Membership Units set forth on Section B of the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) *Time Option*. Subject to Section 3.1(d)(i) and so long as the Grantee continues to be Employed through the relevant vesting dates, the Option shall, with respect to sixty-six and two-thirds percent (66 2/3%) of the Membership Units subject to the Option, become vested and exercisable based on elapsed time (the "Time Option"), such that 1/48th of the Time Option shall become vested and exercisable on each monthly anniversary of the Grant Date, with 100% of the Time Option being vested and exercisable on the 48th monthly anniversary of the Grant Date; provided, that if the Grantee's Employment is terminated by the Company without Cause or due to the Grantee's resignation for Good Reason at any time prior to the sixth monthly anniversary of the Grant Date, then 6/48s of the Time Option shall be vested and exercisable on the date of such termination.

(b) *Performance Option*. Subject to Section 3.1(d)(ii) and so long as the Grantee continues to be Employed through the relevant vesting event, the Option shall, with respect to thirty-

three and one-third percent (33$^1/_3$%) of the Membership Units subject to the Option, become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on Appendix A attached hereto (the "Performance Option"), such that the percentages of the portion of the Performance Option that has been Earned shall become vested and exercisable on each of the applicable vesting dates set forth on Appendix A attached hereto; provided that, for the avoidance of doubt, no portion of the Performance Option shall become Earned (and thereby become vested and exercisable or eligible to become vested and exercisable), unless the Grantee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on Appendix A attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Grantee's Employment at any time by reason of death or Disability, those portions of the Time Option and, to the extent Earned as of the date of such termination, the Performance Option that would have become vested and exercisable on each of the vesting dates of the Time Option and the Performance Option, respectively, immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Option that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Option that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 3.2. Expiration of Option

The Grantee may not exercise the exercisable portion of the Option to any extent and the unexercised portion of the Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Grantee's termination of Employment, if the Grantee's Employment is terminated by reason of death or Disability; or

(c) one hundred eighty (180) days after the date of an Grantee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Grantee for Good Reason; or

(d) immediately upon the date of the Grantee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Grantee without Good Reason; or

(f) the date the Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Grantee (other than in the case of the Disability of the Grantee), only the Grantee may exercise the Option or any portion thereof. After the Disability or death of the Grantee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Grantee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Grantee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Grantee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Membership Unit Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Grantee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Grantee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Grantee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Grantee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Grantee of Membership Units purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Grantee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Grantee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Grantee shall be addressed to the Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Option, and the Membership Units issued to the Grantee upon exercise of the Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Grantee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an Employee's status as an at-will Employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Grantee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Option provided to the Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "*Award Governing Documents*"), the Award Governing Documents shall control.

* * * * *

This Unit Option Award Agreement between the Company and the Grantee/Participant named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Option shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Option based on the Company's level of achievement of consolidated annual EBITDA for the 2019 fiscal year, which shall be the 52-week period ending on February 1, 2020 (such 52-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Option shall be Earned.

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Option that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $, which amount was the Company's consolidated annual EBITDA for the 2018 fiscal year (the 'Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Option that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Option granted (rounded down to the nearest whole share).

The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $. Based on such assumption, 80.0% of the Membership Units that are subject to the Performance Option shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount)

÷ or

(Grant Year High Performance Target – Prior Year Performance Amount)

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Option shall be Earned.

- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Grantee and all other interested persons.

- One quarter (1/4th) of the portion of the Performance Option that has been Earned shall be vested and exercisable on the date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year and the remaining portion of the Performance Option that has been Earned shall become vested and exercisable on each monthly anniversary of the last day of the Grant Year in equal installments, such that 100% of the portion of the Performance Option that has been Earned shall be vested and exercisable on the third anniversary of the last day of the Grant Year.

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Option that has not been Earned remains outstanding and unvested as of January 28, 2023, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Option that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Option may become vested pursuant to this paragraph following a termination of the Grantee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)).

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual/participant whose name is set forth on the Master Signature Page attached to this Award (the "Grantee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Grantee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Grantee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Grantee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue the Options granted hereunder.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Grantee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Grantee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Grantee's failure to reach the material and reasonable goals set forth for the Grantee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Grantee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Grantee's drug or alcohol abuse, (vi) Grantee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Grantee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Grantee from substantially performing the Grantee's material duties for a period of one-hundred and eighty (180) consecutive days.

Section 1.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on **Appendix B** attached hereto.

Section 1.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 1.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.7. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Grantee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 1.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Options. For all purposes hereunder, the Exercise Price of the Options shall initially be the Exercise Price set forth on the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to the Plan.

Section 1.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or the term "Good Reason" is not

defined in the Employment Agreement, "Good Reason" shall mean the occurrence, without the Grantee's prior written consent, of any of the following events: (i) a material diminution in the Grantee's annual base salary or target bonus opportunity; (ii) a material diminution in the Grantee's authority, duties, or responsibilities, which would cause the Grantee's position to become one of lesser responsibility, importance, or scope; or (iii) the relocation of the Grantee's principal place of employment to a location more than thirty-five (35) miles from the Grantee's immediately preceding principal place of employment, if a move to such other location materially increases the Grantee's commute provided, that the Grantee provides written notice to the Company of the existence of any such condition within ninety (90) days of the initial existence of such condition and the Company fails to remedy the condition within thirty (30) days of receipt of such notice; provided, further, that the Grantee actually terminates employment no later than thirty (30) days following the end of such cure period, if the Good Reason condition remains uncured.

Section 1.10. Grant Year

"Grant Year" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.13. Options

"Options" means the options to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Grantee under Section 2.1 of this Award. For all purposes hereunder, the Options shall include the Time Options and/or Performance Options set forth on the Master Signature Page attached hereto; provided, however, that the Master Signature Page attached hereto may set forth that zero (0) Time Options or Performance Options are granted to the Grantee hereunder.

Section 1.14. Performance Options

"Performance Options" means the Performance Options set forth on the Master Signature Page attached hereto, if any, which are granted to the Grantee pursuant to Section 2.1 of this Award.

Section 1.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.17. Time Options

"Time Options" means the Time Options set forth on the Master Signature Page attached hereto, if any, which are granted to the Grantee pursuant to Section 2.1 of this Award.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Grantee the Options set forth on the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) *Time Options*. Subject to Section 3.1(d)(i) and so long as the Grantee continues to be Employed through the relevant vesting dates, the Time Options shall become vested and exercisable based on elapsed time, such that the percentages of the Time Options set forth in the table entitled Time Options Vesting Schedule on **Appendix A** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table.

(b) *Performance Options*. Subject to Section 3.1(d)(ii) and so long as the Grantee continues to be Employed through the relevant vesting event, the Performance Options shall become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on **Appendix B** attached hereto, such that the portion of the Performance Options that has been Earned shall become vested and exercisable on the vesting date required by the section entitled Earned Performance Options Vesting Schedule on **Appendix B** attached hereto; provided that, for the avoidance of doubt, no portion of the Performance Options shall become Earned (and thereby become eligible to become vested and exercisable), unless the Grantee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on **Appendix B** attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Grantee's Employment at any time by reason of death or Disability:

(i) The portion of the Time Options that would have become vested and exercisable on the vesting date of the Time Options immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination; and

(ii) To the extent Earned as of the date of such termination, the portion of the Performance Options that would have become vested and exercisable on the vesting date of the Performance Options immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Options shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Options shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Options that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Options that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 3.2. Expiration of Options

The Grantee may not exercise the exercisable portion of the Options to any extent and the unexercised portion of the Options shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Grantee's termination of Employment, if the Grantee's Employment is terminated by reason of death or Disability; or

(c) one hundred eighty (180) days after the date of an Grantee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Grantee for Good Reason; or

(d) immediately upon the date of the Grantee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Grantee without Good Reason; or

(f) the date the Options are terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF OPTIONS

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Grantee (other than in the case of the Disability of the Grantee), only the

Grantee may exercise any exercisable portion of the Options. After the Disability or death of the Grantee, any exercisable portion of the Options may, prior to the time when the Options become unexercisable under Section 3.2, be exercised by the Grantee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Options may be exercised in whole or in part at any time prior to the time when such portion becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

Any exercisable portion of the Options may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Grantee or any other person then entitled to exercise such portion, stating that such portion is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to such portion in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Grantee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of such portion in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of the exercise of such portion in cash, except that upon any termination of the Grantee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Grantee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of such portion, except as otherwise agreed to by the Company under the Plan;

(f) in the event such portion shall be exercised pursuant to Section 4.1 by any person or persons other than the Grantee, appropriate proof of the right of such person or persons to exercise such portion; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Grantee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of any exercisable portion of the Options does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Grantee of Membership Units purchased upon the exercise of any exercisable portion of the Options prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of any exercisable portion of the Options as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of any exercisable portion of the Options unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Grantee shall be deemed to be admitted as a member, retroactive to the date of exercise of such portion, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Options other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Grantee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Grantee shall be addressed to the

Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Options Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Options, and the Membership Units issued to the Grantee upon exercise of any exercisable portion of the Options, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Options and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Options either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Grantee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an employee's status as an at-will employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Grantee's compensation

or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10 Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Options provided to the Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "***Award Governing Documents***"), the Award Governing Documents shall control.

* * * * *

This Unit Option Award Agreement between the Company and the Grantee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Time Options Vesting Schedule

The following percentages of the Time Options:	Shall become vested and exercisable on the following corresponding anniversaries of the Grant Date:
25%	First anniversary of the Grant Date
25%	Second anniversary of the Grant Date
25%	Third anniversary of the Grant Date
25%	Fourth anniversary of the Grant Date

Appendix B

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Options shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Options based on the Company's level of achievement of consolidated annual EBITDA for the 2019 fiscal year, which shall be the 52-week period ending on February 1, 2020 (such 52-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Options shall be Earned.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Options that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $, which amount was the Company's consolidated annual EBITDA for the 2018 fiscal year (the 'Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Options that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Options granted (rounded down to the nearest whole share).

  The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $. Based on such assumption, 59.6% of the Membership Units that are subject to the Performance Options shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount) ÷ (Grant Year High Performance Target – Prior Year Performance Amount) or

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Options shall be Earned.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Grantee and all other interested persons.

Earned Performance Options Vesting Schedule

The following percentages of the portion of the Performance Option that has been Earned:	**Shall become vested and exercisable on the each of the following corresponding dates:**
25%	The date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year.
25%	First anniversary of the last day of the Grant Year
25%	Second anniversary of the last day of the Grant Year
25%	Third anniversary of the last day of the Grant Year

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Options that has not been Earned remains outstanding and unvested as of February 3, 2023, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Options that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Options may become vested pursuant to this paragraph following a termination of the Grantee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)(ii)).

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

(2018 CEO FORM)

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual/participant whose name is set forth on the Master Signature Page attached to this Award (the "Grantee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Grantee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Grantee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Grantee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement.

Section 1.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on **Appendix A** attached hereto.

Section 1.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 1.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.7. Employment Agreement

"Employment Agreement" means the employment agreement by and among the Grantee, the Company and Academy Managing Co., L.L.C., dated as of May 16, 2018, as amended from time to time.

Section 1.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Option. For all purposes hereunder, the Exercise Price of the Option shall initially be the Exercise Price set forth on Section B of the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to Section 2.2.

Section 1.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement.

Section 1.10. Grant Year

"Grant Year" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.13. Option

"Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Grantee under Section 2.1 of this Award.

Section 1.14. Performance Option

"Performance Option" means that portion of the Option granted to the Grantee hereunder that becomes vested and exercisable pursuant to Section 3.1(b) of this Award.

Section 1.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in **Appendix A** attached hereto.

Section 1.17. Time Option

"Time Option" means that portion of the Option granted to the Grantee hereunder that becomes vested and exercisable pursuant to Section 3.1(a) of this Award.

Section 1.18. Vesting Commencement Date

"Vesting Commencement Date" means April 5, 2018.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Grantee an option to purchase any part or all of an aggregate of the number and series of Membership Units set forth on Section B of the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) *Time Option*. Subject to Section 3.1(d)(i) and so long as the Grantee continues to be Employed through the relevant vesting dates, the Option shall, with respect to sixty-six and two-thirds percent (66 $^{2}/_{3}$%) of the Membership Units subject to the Option, become vested and exercisable based on elapsed time (the "Time Option"), such that 1/48th of the Time Option shall become vested and exercisable on each monthly anniversary of the Vesting Commencement Date, with 100% of the Time Option being vested and exercisable on the 48th monthly anniversary of the Vesting Commencement Date; provided, that if the Grantee's Employment is terminated by the Company without Cause or due to the Grantee's resignation for Good Reason at any time prior to the sixth monthly anniversary of the Vesting Commencement Date, then 6/48s of the Time Option shall be vested and exercisable on the date of such termination.

(b) *Performance Option*. Subject to Section 3.1(d)(ii) and so long as the Grantee continues to be Employed through the relevant vesting event, the Option shall, with respect to thirty-three

and one-third percent (33$^1/_3$%) of the Membership Units subject to the Option, become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on **Appendix A** attached hereto (the "Performance Option"), such that the percentages of the portion of the Performance Option that has been Earned shall become vested and exercisable on each of the applicable vesting dates set forth on **Appendix** A attached hereto; provided that, for the avoidance of doubt, no portion of the Performance Option shall become Earned (and thereby become vested and exercisable or eligible to become vested and exercisable), unless the Grantee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on **Appendix A** attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Grantee's Employment at any time by reason of death or Disability, those portions of the Time Option and, to the extent Earned as of the date of such termination, the Performance Option that would have become vested and exercisable on each of the vesting dates of the Time Option and the Performance Option, respectively, immediately following the date of such termination, had the Grantee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Option that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Option that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 3.2. Expiration of Option

The Grantee may not exercise the exercisable portion of the Option to any extent and the unexercised portion of the Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Grantee's termination of Employment, if the Grantee's Employment is terminated by reason of death or Disability; or

(c) one hundred eighty (180) days after the date of an Grantee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Grantee for Good Reason; or

(d) immediately upon the date of the Grantee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Grantee without Good Reason; or

(f) the date the Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Grantee (other than in the case of the Disability of the Grantee), only the Grantee may exercise the Option or any portion thereof. After the Disability or death of the Grantee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Grantee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Grantee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Grantee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Membership Unit Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Grantee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Grantee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Grantee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Grantee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Grantee of Membership Units purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Grantee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Grantee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Grantee shall be addressed to the Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Option, and the Membership Units issued to the Grantee upon exercise of the Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Grantee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Grantee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an Employee's status as an at-will Employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Grantee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Option provided to the Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "***Award Governing Documents***"), the Award Governing Documents shall control.

* * * * *

This Unit Option Award Agreement between the Company and the Grantee/Participant named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Option shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Option based on the Company's level of achievement of consolidated annual EBITDA for the 2018 fiscal year, which shall be the 52-week period ending on February 2, 2019 (such 52-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $ million, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Option shall be Earned.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ million (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Option that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $ million, which amount was the Company's consolidated annual EBITDA for the 2017 fiscal year (the 'Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Option that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Option granted (rounded down to the nearest whole share).

The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $ million. Based on such assumption, 59.6% of the Membership Units that are subject to the Performance Option shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount) ÷ (Grant Year High Performance Target – Prior Year Performance Amount) or

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Option shall be Earned.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Grantee and all other interested persons.
- One quarter (1/4th) of the portion of the Performance Option that has been Earned shall be vested and exercisable on the date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year and the remaining portion of the Performance Option that has been Earned shall become vested and exercisable on each monthly anniversary of the last day of the Grant Year in equal installments, such that 100% of the portion of the Performance Option that has been Earned shall be vested and exercisable on the third anniversary of the last day of the Grant Year.

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Option that has not been Earned remains outstanding and unvested as of February 2, 2022, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Option that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Option may become vested pursuant to this paragraph following a termination of the Grantee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)).

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

(2018 EXECUTIVE FORM)

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and the individual whose name is set forth on the Master Signature Page attached to this Award (the "Optionee"), is entered into as of the "Grant Date" set forth on such Master Signature Page (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Optionee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Optionee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Optionee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Optionee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Optionee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Optionee's failure to reach the material and reasonable goals set forth for the Optionee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Optionee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Optionee's drug or alcohol abuse, (vi) Optionee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Optionee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Optionee from substantially performing the Optionee's material duties for a period of one-hundred and eighty (180) consecutive days.

Section 1.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on **Appendix B** attached hereto.

Section 1.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 1.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.7. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Optionee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 1.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Option. For all purposes hereunder, the Exercise Price of the Option shall initially be the Exercise Price set forth on Section B of the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to Section 2.2.

Section 1.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Good Reason" is not defined in the Employment Agreement, "Good Reason" shall mean the occurrence, without the Optionee's prior written consent, of any of the following events: (i) a material diminution in the Optionee's annual base salary or target bonus opportunity; (ii) a material diminution in the Optionee's authority, duties, or responsibilities, which would cause the Optionee's position to become one of lesser responsibility, importance, or scope; or (iii) the relocation of the Optionee's principal place of employment to a location more than thirty-five (35) miles from the Optionee's immediately preceding principal place of employment, if a move to such other location materially increases the Optionee's commute provided, that the Optionee provides written notice to the Company of the existence of any such condition within ninety (90) days of the initial existence of such condition and the Company fails to remedy the condition within thirty (30) days of receipt of such notice; provided, further, that the Optionee actually terminates employment no later than thirty (30) days following the end of such cure period, if the Good Reason condition remains uncured.

Section 1.10. Grant Year

"Grant Year" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.13. Option

"Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Optionee under Section 2.1 of this Award.

Section 1.14. Performance Option

"Performance Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(b) of this Award.

Section 1.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.17. Time Option

"Time Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(a) of this Award.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Optionee an option to purchase any part or all of an aggregate of the number and series of Membership Units set forth on Section B of the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) *Time Option*. Subject to Section 3.1(d)(i) and so long as the Optionee continues to be Employed through the relevant vesting dates, the Option shall, with respect to sixty-six and two-thirds percent (66 2/3%) of the Membership Units subject to the Option, become vested and exercisable based on elapsed time (the "Time Option"), such that the percentages of the Time Option set forth in the table entitled Time Option Vesting Schedule on **Appendix A** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table.

(b) *Performance Option*. Subject to Section 3.1(d)(ii) and so long as the Optionee continues to be Employed through the relevant vesting event, the Option shall, with respect to thirty-three and one-third percent (331/3%) of the Membership Units subject to the Option, become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on **Appendix B** attached hereto (the "Performance Option"), such that the percentages of the portion of the Performance Option that has been Earned set forth in the table entitled Earned Performance Option Vesting Schedule on **Appendix B** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table; provided that, for the avoidance of doubt, no portion of the Performance Option shall become Earned (and thereby become eligible to become vested and exercisable), unless the Optionee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on **Appendix B** attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Optionee's Employment at any time by reason of death or Disability, those portions of the Time Option and, to the extent Earned as of the date of such termination, the Performance Option that would have become vested and exercisable on each of the vesting dates of the Time Option and the Performance Option, respectively, immediately following the date of such termination, had the Optionee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Option that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Option that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 3.2. Expiration of Option

The Optionee may not exercise the exercisable portion of the Option to any extent and the unexercised portion of the Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Optionee's termination of Employment, if the Optionee's Employment is terminated by reason of death or Disability; provided, that if during such entire period the Membership Units are not publicly traded on an established securities market ("publicly traded") or if Optionee is not legally free to sell on such market the Membership Units that are subject to the vested portion of the Option, then as to the vested portion of the Option, the Option will remain outstanding through six months following the date upon which (x) the last of the Membership Units that are subject to such portion of the Option becomes publicly traded and (y) the Optionee would be legally free to sell the last of such Membership Units on such market (but in no event beyond the tenth anniversary of the Grant Date) (the "Proviso Period"); or

(c) one hundred eighty (180) days after the date of an Optionee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Optionee for Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(d) immediately upon the date of the Optionee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Optionee without Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(f) the date the Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Optionee (other than in the case of the Disability of the Optionee), only the Optionee may exercise the Option or any portion thereof. After the Disability or death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Optionee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Membership Unit Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Optionee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Optionee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Optionee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Optionee of Membership Units purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Optionee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Optionee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Optionee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to

interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Optionee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Option, and the Membership Units issued to the Optionee upon exercise of the Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Optionee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an Employee's status as an at-will Employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Optionee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5.10. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Option provided to the Optionee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Award, the Plan or the Management Unitholder's Agreement (collectively, the "***Award Governing Documents***"), the Award Governing Documents shall control.

* * * * *

This Unit Option Award Agreement between the Company and the Optionee/Employee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Time Option Vesting Schedule

The following percentages of the Time Option:	Shall become vested and exercisable on the following corresponding anniversaries of the Grant Date:
25%	First anniversary of the Grant Date
25%	Second anniversary of the Grant Date
25%	Third anniversary of the Grant Date
25%	Fourth anniversary of the Grant Date

Appendix B

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Option shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Option based on the Company's level of achievement of consolidated annual EBITDA for the 2018 fiscal year, which shall be the 52-week period ending on February 2, 2019 (such 52-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $ million, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Option shall be Earned.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ million (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Option that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $ million, which amount was the Company's consolidated annual EBITDA for the 2017 fiscal year (the "Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Option that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Option granted (rounded down to the nearest whole share).

The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $ million. Based on such assumption, 59.6% of the Membership Units that are subject to the Performance Option shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount) ÷ (Grant Year High Performance Target – Prior Year Performance Amount)	or

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Option shall be Earned.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Optionee and all other interested persons.

Earned Performance Option Vesting Schedule

The following percentages of the portion of the Performance Option that has been Earned:	**Shall become vested and exercisable on the each of the following corresponding dates:**
25%	The date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year.
25%	First anniversary of the last day of the Grant Year
25%	Second anniversary of the last day of the Grant Year
25%	Third anniversary of the last day of the Grant Year

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Option that has not been Earned remains outstanding and unvested as of February 2, 2022, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Option that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Option may become vested pursuant to this paragraph following a termination of the Optionee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)).

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

(2017 EXECUTIVE FORM)

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), dated as of March 23, 2017 (the "Grant Date") is made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and (the "Optionee"), whose name is set forth on the Master Signature Page attached to this Award and who is a Participant. Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Optionee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Optionee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Optionee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Optionee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Optionee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Optionee's failure to reach the material and reasonable goals set forth for the Optionee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Optionee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Optionee's drug or alcohol abuse, (vi) Optionee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Optionee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 1.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Optionee from substantially performing the Optionee's material duties for a period of one-hundred and eighty (180) consecutive days.

Section 1.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on **Appendix B** attached hereto.

Section 1.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 1.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 1.7. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Optionee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 1.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Option. For all purposes hereunder, the Exercise Price of the Option shall initially be the Exercise Price set forth on Section B of the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to Section 2.2.

Section 1.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Good Reason" is not defined in the Employment Agreement, "Good Reason" shall mean the occurrence, without the Optionee's prior written consent, of any of the following events: (i) a material diminution in the Optionee's annual base salary or target bonus opportunity; (ii) a material diminution in the Optionee's authority, duties, or responsibilities, which would cause the Optionee's position to become one of lesser responsibility, importance, or scope; or (iii) the relocation of the Optionee's principal place of employment to a location more than thirty-five (35) miles from the Optionee's immediately preceding principal place of employment, if a move to such other location materially increases the Optionee's commute provided, that the Optionee provides written notice to the Company of the existence of any such condition within ninety (90) days of the initial existence of such condition and the Company fails to remedy the condition within thirty (30) days of receipt of such notice; provided, further, that the Optionee actually terminates employment no later than thirty (30) days following the end of such cure period, if the Good Reason condition remains uncured.

Section 1.10. Grant Year

"Grant Year" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.13. Option

"Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Optionee under Section 2.1 of this Award.

Section 1.14. Performance Option

"Performance Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(b) of this Award.

Section 1.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 1.17. Time Option

"Time Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(a) of this Award.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Optionee an option to purchase any part or all of an aggregate of the number and series of Membership Units set forth on Section B of the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) *Time Option*. Subject to Section 3.1(d)(i) and so long as the Optionee continues to be Employed through the relevant vesting dates, the Option shall, with respect to sixty-six and two-thirds percent (66 2/3%) of the Membership Units subject to the Option, become vested and exercisable based on elapsed time (the "Time Option"), such that the percentages of the Time Option set forth in the table entitled Time Option Vesting Schedule on **Appendix A** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table.

(b) *Performance Option*. Subject to Section 3.1(d)(ii) and so long as the Optionee continues to be Employed through the relevant vesting event, the Option shall, with respect to thirty-three and one-third percent (33 1/3%) of the Membership Units subject to the Option, become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on **Appendix B** attached hereto (the "Performance Option"), such that the percentages of the portion of the Performance Option that has been Earned set forth in the table entitled Earned Performance Option Vesting Schedule on **Appendix B** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table; provided that, for the avoidance of doubt, no portion of the Performance Option shall become Earned (and thereby become eligible to become vested and exercisable), unless the Optionee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on **Appendix B** attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Optionee's Employment at any time by reason of death or Disability, those portions of the Time Option and, to the extent Earned as of the date of such termination, the Performance Option that would have become vested and exercisable on each of the vesting dates of the Time Option and the Performance Option, respectively, immediately following the date of such termination, had the Optionee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Option that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Option that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 3.2. Expiration of Option

The Optionee may not exercise the exercisable portion of the Option to any extent and the unexercised portion of the Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Optionee's termination of Employment, if the Optionee's Employment is terminated by reason of death or Disability; provided, that if during such entire period the Membership Units are not publicly traded on an established securities market ("publicly traded") or if Optionee is not legally free to sell on such market the Membership Units that are subject to the vested portion of the Option, then as to the vested portion of the Option, the Option will remain outstanding through six months following the date upon which (x) the last of the Membership Units that are subject to such portion of the Option becomes publicly traded and (y) the Optionee would be legally free to sell the last of such Membership Units on such market (but in no event beyond the tenth anniversary of the Grant Date) (the "Proviso Period"); or

(c) one hundred eighty (180) days after the date of an Optionee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Optionee for Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(d) immediately upon the date of the Optionee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Optionee without Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(f) the date the Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE IV

EXERCISE OF OPTION

Section 4.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Optionee (other than in the case of the Disability of the Optionee), only the Optionee may exercise the Option or any portion thereof. After the Disability or death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's legatees, personal representatives, or distributees.

Section 4.2. Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 4.3. Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Optionee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Membership Unit Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Optionee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Optionee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Optionee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 4.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Optionee of Membership Units purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 4.5. Rights as Unitholder; Member

The Optionee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Optionee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Optionee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules and all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute

discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Optionee's written consent.

Section 5.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 5.3. Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Option, and the Membership Units issued to the Optionee upon exercise of the Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 5.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 5.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 5.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 5.7. Conformity to Section 409A

It is intended that the Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 5.8. No Right of Employment or Service

Nothing contained herein shall confer on the Optionee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an Employee's status as an at-will Employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Optionee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 5.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

* * * * *

This Unit Option Award Agreement between the Company and the Employee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Time Option Vesting Schedule

The following percentages of the Time Option:	Shall become vested and exercisable on the following corresponding anniversaries of the Grant Date:
25%	March 23, 2018
25%	March 23, 2019
25%	March 23, 2020
25%	March 23, 2021

Appendix B

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Option shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Option based on the Company's level of achievement of consolidated annual EBITDA for the 2017 fiscal year, which shall be the 53-week period ending on February 3, 2018 (such 53-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $ million, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Option shall be Earned.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ million (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Option that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $ million, which amount was the Company's consolidated annual EBITDA for the 2016 fiscal year (the 'Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Option that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Option granted (rounded down to the nearest whole share).

The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $ million. Based on such assumption, 53.90% of the Membership Units that are subject to the Performance Option shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount)	
÷	or
(Grant Year High Performance Target – Prior Year Performance Amount)	

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Option shall be Earned.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Optionee and all other interested persons.

Earned Performance Option Vesting Schedule

The following percentages of the portion of the Performance Option that has been Earned:	**Shall become vested and exercisable on the each of the following corresponding dates:**
25%	The date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year.
25%	First anniversary of the last day of the Grant Year
25%	Second anniversary of the last day of the Grant Year
25%	Third anniversary of the last day of the Grant Year

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Option that has not been Earned remains outstanding and unvested as of February 1, 2021, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $1 (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Option that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Option may become vested pursuant to this paragraph following a termination of the Optionee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)).

NEW ACADEMY HOLDING COMPANY LLC
UNIT OPTION AWARD AGREEMENT

(2016 EXECUTIVE FORM)

THIS UNIT OPTION AWARD AGREEMENT (this "Award"), dated as of March 27, 2016 (the "Grant Date") is made by and between New Academy Holding Company LLC, a Delaware limited liability company (hereinafter referred to as the "Company"), and (the "Optionee"), whose name is set forth on the Master Signature Page attached to this Award and who is a Participant. Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as amended, modified or supplemented from time to time (the "Plan").

WHEREAS, as an incentive for the Optionee's efforts in connection with his or her Employment by, or performance of other services for, the Company (or its Affiliates, as applicable), the Company wishes to afford the Optionee the opportunity to purchase a number of Membership Units (which Membership Units shall entitle the Optionee to any and all rights and benefits to which the holder of such Membership Units may be provided under the LLC Agreement and the Delaware Limited Liability Company Act), subject to the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Award, pursuant to which the Committee, appointed to administer the Plan, has instructed the undersigned officers to issue this Option.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, this Award shall be granted in accordance with and subject to the terms and conditions as follows:

ARTICLE XI

DEFINITIONS

Whenever the following terms are used in this Award, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 11.1. Cause

"Cause" means "Cause" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Cause" is not defined in the Employment Agreement, "Cause" shall mean the (i) Optionee's act of dishonesty or disloyalty (including, but not limited to, fraud, misrepresentation, embezzlement or misappropriation), (ii) Optionee's failure to timely or sufficiently perform any material and reasonable duties assigned to him/her, (iii) Optionee's failure to reach the material and reasonable goals set forth for the Optionee, including poor performance and/or failure to achieve an acceptable performance rating, (iv) Optionee's breach of any policy of Academy, Ltd., including but not limited to all employment, ethics, conflict of interest, and code of conduct policies, (v) Optionee's drug or alcohol abuse, (vi) Optionee's conviction, guilty plea, no contest plea, deferred adjudication or other trial diversion regarding any felony or any crime involving moral turpitude, or (vii) Optionee's willful disregard of any material and reasonable directive, or material misconduct with respect to the business or affairs of Academy, Ltd., including any act or acts which adversely affect its image or reputation or which result in material financial loss to Academy, Ltd.

Section 11.2. Disability

"Disability" means "Disability" as defined in and determined under the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Disability" is not defined in the Employment Agreement, shall mean a physical or mental illness, incapacity or disability which has prevented the Optionee from substantially performing the Optionee's material duties for a period of one- hundred and eighty (180) consecutive days.

Section 11.3. Earned

"Earned" means eligible to become vested and exercisable in accordance with the vesting provisions set forth on **Appendix B** attached hereto.

Section 11.4. Earned Percentage

"Earned Percentage" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.5. EBITDA

"EBITDA" means operating earnings before interest, taxes, depreciation and amortization, excluding transaction, management and/or similar fees paid to the Sponsor and/or its Affiliates. The Committee shall, fairly and appropriately, adjust the calculation of EBITDA to reflect, to the extent not contemplated in the management plan, the following: acquisitions, divestitures, any change required by GAAP relating to Membership Unit-based compensation or for other changes in GAAP promulgated by accounting standard setters and any extraordinary items that, in each case, the Committee in good faith determines require adjustment of EBITDA. The Committee's determination of such adjustment shall be based on the Company's accounting as set forth in its books and records and on the financial plan of the Company pursuant to which the performance target was originally established.

Section 11.6. Employed or Employment

"Employed" or "Employment" means employment by the Company or any of its Affiliates as an employee or the performance of services (whether as employee, consultant, director or member or other service provider) to the Company.

Section 11.7. Employment Agreement

"Employment Agreement" means that certain associate employment agreement or other employment agreement, if any, specifying the terms of the Optionee's Employment by the Company, Academy, Ltd. and/or any of their respective Affiliates, as applicable, as the same may be amended from time to time in accordance with its terms.

Section 11.8. Exercise Price

"Exercise Price" means the price at which a Membership Unit may be purchased upon the exercise of the Option. For all purposes hereunder, the Exercise Price of the Option shall initially be the Exercise Price set forth on Section B of the Master Signature Page attached hereto (which is the Fair Market Value per Membership Unit on the Grant Date) and shall thereafter be subject to adjustment pursuant to Section 2.2.

Section 11.9. Good Reason

"Good Reason" means "Good Reason" as defined and determined in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or the term "Good Reason" is not defined in the Employment Agreement, "Good Reason" shall mean the occurrence, without the Optionee's prior written consent, of any of the following events: (i) a material diminution in the Optionee's annual base salary or target bonus opportunity; (ii) a material diminution in the Optionee's authority, duties, or responsibilities, which would cause the Optionee's position to become one of lesser responsibility, importance, or scope; or (iii) the relocation of the Optionee's principal place of employment to a location more than thirty-five (35) miles from the Optionee's immediately preceding principal place of employment, if a move to such other location materially increases the Optionee's commute provided, that the Optionee provides written notice to the Company of the existence of any such condition within ninety (90) days of the initial existence of such condition and the Company fails to remedy the condition within thirty (30) days of receipt of such notice; provided, further, that the Optionee actually terminates employment no later than thirty (30) days following the end of such cure period, if the Good Reason condition remains uncured.

Section 11.10. Grant Year

"Grant Year" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.11. Grant Year High Performance Target

"Grant Year High Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.12. Grant Year Low Performance Target

"Grant Year Low Performance Target" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.13. Option

"Option" means the option to purchase any part or all of an aggregate of the number and series of Membership Units granted to the Optionee under Section 2.1 of this Award.

Section 11.14. Performance Option

"Performance Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(b) of this Award.

Section 11.15. Prior Year Performance Amount

"Prior Year Performance Amount" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.16. Target Unit Price

"Target Unit Price" has the meaning ascribed to such term in **Appendix B** attached hereto.

Section 11.17. Time Option

"Time Option" means that portion of the Option granted to the Optionee hereunder that becomes vested and exercisable pursuant to Section 3.1(a) of this Award.

ARTICLE XII

GRANT OF OPTIONS

Section 12.1. Grant of Options; Exercise Price

For good and valuable consideration, upon the terms and conditions set forth herein and in the Plan, on and as of the Grant Date, the Company grants to the Optionee an option to purchase any part or all of an aggregate of the number and series of Membership Units set forth on Section B of the Master Signature Page attached hereto, at the Exercise Price, without commission or other charge.

ARTICLE XIII

PERIOD OF EXERCISABILITY

Section 13.1. Vesting and Commencement of Exercisability

(a) *Time Option*. Subject to Section 3.1(d)(i) and so long as the Optionee continues to be Employed through the relevant vesting dates, the Option shall, with respect to sixty-six and two- thirds percent (66 2/3%) of the Membership Units subject to the Option, become vested and exercisable based on elapsed time (the "TimeOption"), such that the percentages of the Time Option set forth in the table entitled Time Option Vesting Schedule on **Appendix A** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table.

(b) *Performance Option*. Subject to Section 3.1(d)(ii) and so long as the Optionee continues to be Employed through the relevant vesting event, the Option shall, with respect to thirty- three and one-third percent (331/3%) of the Membership Units subject to the Option, become Earned based on the Company's level of achievement of consolidated annual EBITDA for the Grant Year and thereafter become vested and exercisable based on elapsed time, in accordance with the terms set forth on **Appendix B** attached hereto (the "Performance Option"), such that the percentages of the portion of the Performance Option that has been Earned set forth in the table entitled Earned Performance Option Vesting Schedule on **Appendix B** attached hereto shall become vested and exercisable on each of the corresponding vesting dates set forth in such table; provided that, for the avoidance of doubt, no portion of the Performance Option shall become Earned (and thereby become eligible to become vested and exercisable), unless the Optionee remains Employed through the date on which the Committee determines that the applicable condition(s) to becoming Earned has been satisfied, in accordance with the terms set forth on **Appendix B** attached hereto.

(c) *Death or Disability*. Notwithstanding any of the foregoing, upon a termination of the Optionee's Employment at any time by reason of death or Disability, those portions of the Time Option and, to the extent Earned as of the date of such termination, the Performance Option that would have become vested and exercisable on each of the vesting dates of the Time Option and the Performance Option, respectively, immediately following the date of such termination, had the Optionee remained Employed through such vesting date, will become vested and exercisable as of such termination.

(d) *Change of Control*. Notwithstanding any of Sections 3.1(a) or 3.1(b), in connection with any Change of Control:

(i) Any then-outstanding and unvested portion of the Time Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control; and

(ii) (A) If such Change of Control occurs during the Grant Year, then any then-outstanding and unvested portion of the Performance Option shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control.

(B) If such Change of Control occurs following the Grant Year, then any then-outstanding and unvested portion of the Performance Option that has been Earned as of immediately prior to such Change of Control shall become vested and exercisable as to one hundred percent (100%) of the Membership Units that are subject to such unvested portion, immediately prior to such Change of Control, and any portion of the Performance Option that has not been Earned as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control.

Section 13.2. Expiration of Option

The Optionee may not exercise the exercisable portion of the Option to any extent and the unexercised portion of the Option shall lapse, upon the first to occur of the following events:

(a) the tenth anniversary of the Grant Date;

(b) the first anniversary of the date of the Optionee's termination of Employment, if the Optionee's Employment is terminated by reason of death or Disability; provided, that if during such entire period the Membership Units are not publicly traded on an established securities market ("publicly traded") or if Optionee is not legally free to sell on such market the Membership Units that are subject to the vested portion of the Option, then as to the vested portion of the Option, the Option will remain outstanding through six months following the date upon which (x) the last of the Membership Units that are subject to such portion of the Option becomes publicly traded and (y) the Optionee would be legally free to sell the last of such Membership Units on such market (but in no event beyond the tenth anniversary of the Grant Date) (the "Proviso Period"); or

(c) one hundred eighty (180) days after the date of an Optionee's termination of Employment by the Company or its Affiliates without Cause (for any reason other than as set forth in Section 3.2(b)) or by the Optionee for Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(d) immediately upon the date of the Optionee's termination of Employment by the Company or its Affiliates for Cause; or

(e) thirty (30) days after termination of Employment by the Optionee without Good Reason; provided, that this exercise period will be extended subject to the application of the Proviso Period; or

(f) the date the Option is terminated pursuant to Section 5.1 or 5.2 of the Management Unitholder's Agreement; or

(g) if the Committee so determines pursuant to Section 7 or 8 of the Plan.

ARTICLE XIV

EXERCISE OF OPTION

Section 14.1. Person Eligible to Exercise

Except as expressly provided for herein, the Plan or in the Management Unitholder's Agreement, during the lifetime of the Optionee (other than in the case of the Disability of the Optionee), only the Optionee may exercise the Option or any portion thereof. After the Disability or death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's legatees, personal representatives, or distributees.

Section 14.2. Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, that any partial exercise shall be for whole Membership Units only.

Section 14.3. Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company all of the following on or prior to the time when the Option or such portion becomes unexercisable under Section 3.2, and the satisfaction of all of the foregoing shall be determined in the discretion of the Company:

(a) notice in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the exercise price applicable to any Option in cash, by check, in Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) that the Optionee has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Membership Units (any such Membership Units valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Membership Unit Option in a manner that is compliant with applicable law, or a combination of the foregoing methods;

(c) full payment in cash of any taxes due in respect of such exercise in cash, except that upon any termination of the Optionee's Employment under a circumstance described in Section 3.2(b) or (c) above, the Optionee may make payment of any such taxes under any method described in Section 4.3(b) above;

(d) execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee;

(e) full payment to the Company of all amounts which, under federal, state or local law, it (or an Affiliate) is required to withhold upon exercise of the Option, except as otherwise agreed to by the Company under the Plan;

(f) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the option; and

(g) if so requested by the Committee, an irrevocable voting proxy and power of attorney in favor of a designated member of the Board.

In addition, following an IPO, the Optionee may satisfy his or her obligations under Section 4.3(b) and/or (c) through the sale of Membership Units (or equity securities into which Membership Units are convertible) into the public market pursuant to a cashless exercise program that is compliant with applicable law, to the extent the sale of such Membership Units (or equity securities, as applicable) is permitted under the Management Unitholder's Agreement.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Membership Units acquired on exercise of the Option does not violate the Securities Act of 1933, as amended, and may issue stop-transfer orders covering such Membership Units.

Section 14.4. Conditions to Issuance of Membership Units

The Company shall not be required to record the ownership by the Optionee of Membership Units purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the exercise of the Option as may otherwise be required by applicable law; and

(c) the execution and to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

Section 14.5. Rights as Unitholder; Member

The Optionee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units purchasable upon exercise of the Option or any portion thereof unless and until a book entry representing such Membership Units has been made on the books and records of the Company and the Optionee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that the Optionee shall be deemed to be admitted as a member, retroactive to the date of exercise of the Option, once the criteria contained in Sections 4.3 and 4.4 hereof have been satisfied.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Administration

The Committee shall have the power to interpret the Plan and this Award and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to

the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons; provided, that the foregoing powers shall not govern any determinations of "Cause" or "Disability" for purposes of this Award, which shall instead be subject to dispute pursuant to Section 5.6. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or Committee terminate the Plan or the Option other than pursuant to Section 7 or 8 of the Plan or the Management Unitholder's Agreement without the Optionee's written consent.

Section 15.2. Notices

Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.2.

Section 15.3. Option Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts

The Option, and the Membership Units issued to the Optionee upon exercise of the Option, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to the Option and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Award and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and the Award, the Plan shall control. The provisions of the Award shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

Section 15.4. Amendment

Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

Section 15.5. Governing Law

This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

Section 15.6. Disputes

Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures set forth in the Employment Agreement, if any, or if the Optionee has no Employment Agreement or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

Section 15.7. Conformity to Section 409A

It is intended that the Option either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 5.7 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 5.7 to the extent administered in accordance therewith.

Section 15.8. No Right of Employment or Service

Nothing contained herein shall confer on the Optionee any right to be continued in the Employ or service of the Company and/or any Affiliate, constitute any contract or agreement of Employment or other service or affect an Employee's status as an at-will Employee, nor shall anything contained herein affect any rights which the Company and/or an Affiliate may have to change the Optionee's compensation or other benefits or terminate such person's Employment or association with the Company and/or its Affiliate for any reason (with or without Cause, with or without compensation) at any time.

Section 15.9. Counterparts

This Award may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

* * * * *

This Unit Option Award Agreement between the Company and the Employee named on the Master Signature Page attached hereto is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

Appendix A

Time Option Vesting Schedule

The following percentages of the Time Option:	Shall become vested and exercisable on the following corresponding anniversaries of the Grant Date:
25%	March 27, 2017
25%	March 27, 2018
25%	March 27, 2019
25%	March 27, 2020

Appendix B

Performance Targets

Subject to Section 3.1(d)(ii) of the Agreement, the Performance Option shall become Earned with respect to a percentage of Membership Units that are subject to the Performance Option based on the Company's level of achievement of consolidated annual EBITDA for the 2016 fiscal year, which shall be the 52-week period ending on January 28, 2017 (such 52-week period, the "Grant Year"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $ million, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "Grant Year High Performance Target"), then one hundred percent (100%) of the Performance Option shall be Earned.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ million (such amount, the "Grant Year Low Performance Target"), then the portion of the Performance Option that shall be Earned shall be equal to a percentage, rounded to two decimal places (the "Earned Percentage"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $ million, which amount was the Company's consolidated annual EBITDA for the 2015 fiscal year (the 'Prior Year Performance Amount"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Membership Units that are subject to the Performance Option that shall be so Earned shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Membership Units that are subject to the Performance Option granted (rounded down to the nearest whole share).

The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $ million. Based on such assumption, 61.90% of the Membership Units that are subject to the Performance Option shall be Earned.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount)

÷ or

(Grant Year High Performance Target – Prior Year Performance Amount)

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Membership Units that are subject to the Performance Option shall be Earned.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon the Optionee and all other interested persons.

Earned Performance Option Vesting Schedule

The following percentages of the portion of the Performance Option that has been Earned:	**Shall become vested and exercisable on the each of the following corresponding dates:**
25%	The date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year.
25%	First anniversary of the last day of the Grant Year
25%	Second anniversary of the last day of the Grant Year
25%	Third anniversary of the last day of the Grant Year

Notwithstanding the foregoing and subject to Section 3.1(d)(ii), if (i) any portion of the Performance Option that has not been Earned remains outstanding and unvested as of February 1, 2020, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "Target Unit Price"), then one hundred percent (100%) of the portion of the Performance Option that has not been Earned as of such date shall become vested and exercisable immediately upon such determination by the Committee. For the avoidance of doubt, no portion of the Performance Option may become vested pursuant to this paragraph following a termination of the Optionee's employment (including, without limitation, a termination due to death or Disability in accordance with Section 3.1(c)).

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

(2020 AUSTIN GRANT FORM—STD)

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("Notice ***of Grant")***.

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award of Restricted Units, subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***Restricted Unit Agreement"),*** the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and Grantee (as modified by the Restricted Unit Agreement, the "***Management Unitholder's Agreement"),*** as follows:

Total Number of Restricted Units:	The number of "Restricted Units" set forth on the Master Signature Page attached to this Notice of Grant
Grant Date:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested Restricted Units granted hereunder occurs and (b) the tenth (10^{th}) anniversary of the Grant Date.
Vesting:	

(a) Settlement of Restricted Units is conditioned on satisfaction of two vesting requirements before the tenth (10^{th}) anniversary of the Grant Date (or earlier termination of Restricted Units pursuant to Section 6 of the Restricted Unit Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement")*** and (ii) a liquidity event requirement (the "***Liquidity Event Requirement"),*** each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, (ii) the consummation of an acquisition of the Company or one of its affiliates by, or merger of the Company or one of its affiliates with, a publicly traded special purpose acquisition company, which consummation does not thereupon result in a Change of Control (a "***SPAC Event"),*** and (iii) the date of a Change of Control, whether or not due to the consummation of an acquisition of the Company or one of its affiliates by, or merger of the Company or one of its affiliates with, a publicly traded special purpose acquisition company (any of the foregoing (i) and (ii) being an "***Initial Vesting Event")***.

(2) Time and Service Based Requirement: Provided that Grantee is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Restricted Units:

A. Twenty-five percent (25%) on or after the first anniversary of the Grant Date but prior to the second anniversary of the Grant Date, and

B. Seventy-five percent (75%) on or after the second anniversary of the Grant Date;

provided, that, if Grantee is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to one hundred percent (100%) of the Restricted Units.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates.

Restricted Units will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the Restricted Units pursuant to Section 6 of the Restricted Unit Agreement).

(b) Restricted Units Vested at Initial Vesting Event.

(1) If Grantee is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the Restricted Units shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is a SPAC Event or an IPO, the Restricted Units shall become vested as of the SPAC Event or IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested Restricted Units shall be subject to continued vesting pursuant to clause (c) below, if applicable.

Example 1: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. A Change of Control occurs on December 2, 2020. On December 2, 2020, Grantee, who has remained in continuous Employment through that date, will vest in all 100 Restricted Units.

Example 2: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. A SPAC Event occurs on December 2, 2020. Grantee, who has remained in continuous Employment through that date, will vest in 0 Restricted Units on December 2, 2020. The 100 Restricted Units will vest according to the following schedule, subject to
Grantee's continuous Employment on each vesting date: 25 Restricted Units will vest on August 26, 2021 and 75 Restricted Units will vest on August 26, 2022.

Example 3: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. A SPAC Event occurs on December 2, 2021. Grantee, who has remained in continuous Employment through that date, will vest in 25 Restricted Units on December 2, 2021. The remaining 75 Restricted Units will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 75 Restricted Units will vest on August 26, 2022.

Example 4: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. An IPO occurs on October 12, 2020. Grantee, who has remained in continuous Employment through that date, will vest in 0 Restricted Units on October 12, 2020. The 100 Restricted Units will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 25 Restricted Units will vest on August 26, 2021 and 75 Restricted Units will vest on August 26, 2022.

Example 5: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. An IPO occurs on October 12, 2022. Grantee, who has remained in continuous Employment through that date, will vest in 100 Restricted Units on October 12, 2022 (with settlement of such Restricted Units to occur on March 15, 2023 which is March 15th of the calendar year following the calendar year in which the IPO is consummated).

Example 6: Grantee holds 100 Restricted Units granted with a Grant Date of August 26, 2020. An IPO occurs on March 5, 2022. Grantee, who has remained in continuous Employment through that date, will vest in 25 Restricted Units on March 5, 2022 (with settlement of such Restricted Units to occur on September 5, 2022 which is six months after the consummation of the IPO). The remaining 75 Restricted Units will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 75 Restricted Units will vest on August 26, 2022 (with settlement of such Restricted Units to occur on September 5, 2022 which is six months after the consummation of the IPO).

(2) If Grantee's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including all Restricted Units that met the Time and Service Based Requirement at the time of Grantee's termination of Employment, shall be forfeited, and all rights of Grantee to such Restricted Units shall have been terminated, as of the date of Grantee's termination of Employment.

(c) Restricted Units Vested after SPAC Event or IPO. If Grantee is in continuous Employment on the date of the SPAC Event or IPO, then with respect to any unvested Restricted Units as of the SPAC Event or IPO, vesting shall continue under the Time and Service Based Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Grantee's Employment is terminated at any time following the SPAC Event or IPO, any then-unvested Restricted Units shall be forfeited, and all rights of Grantee to such then-unvested Restricted Units shall terminate, as of the date of Grantee's termination of Employment.

See Example 2 above.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned Restricted Unit or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested Restricted Units; provided, that following the consummation of an SPAC Event, settlement may be made in the form of common stock of the publicly traded corporate entity resulting from the SPAC Event; provided further, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan); provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in settlement of Restricted Units may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution. Settlement of vested Restricted Units shall occur whether or not Grantee is Employed at the time of settlement.

Grantee understands that nothing in this Notice of Grant, the Restricted Unit Agreement, the Plan or the Management Unitholder's Agreement will confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause. Grantee also understands that this Notice of Grant is subject to the terms and conditions of the Restricted Unit Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Grantee has read this Notice of Grant, the Restricted Unit Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award (the "***Award***") of Restricted Units subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (as modified by this agreement, the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Grantee of Membership Units issued upon the settlement of vested Restricted Units prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested Restricted Units as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested Restricted Units unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Grantee shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested Restricted Units, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of a SPAC Event or an IPO, any Restricted Units then-held by Grantee for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the Restricted Units to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Grantee shall receive payment of the applicable consideration in respect of such Restricted Units on the applicable date of settlement of such vested Restricted Units in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. **Adjustment.** Restricted Units shall be subject to adjustment as provided in Section 7 of the Plan.

5. **No Transfer.** This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. **Termination.** If Grantee's Employment (as defined in the Notice of Grant) terminates for any reason, all Restricted Units for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Grantee to such Restricted Units shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. **Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts**. This Award, and the Membership Units issued to Grantee upon the settlement of vested Restricted Units, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

8. **Withholding of Tax.** When the Restricted Units are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Grantee is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Grantee's other compensation or require Grantee to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Grantee with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Grantee should consult Grantee's personal tax advisor for more information on the actual and potential tax consequences of this Award.

9. **Administration**. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Grantee, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Grantee's written consent.

10. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Grantee shall be addressed to Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 10, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Grantee, shall, if Grantee is then deceased, be given to Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 10.

11. Conformity to Section 409A. It is intended that the Restricted Units either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 12 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Grantees with respect to this Section 12 to the extent administered in accordance therewith.

12. No Right of Employment or Service. Nothing contained herein shall confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause.

13. Disputes. Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Grantee and Grantee's heirs, executors, administrators, legal representatives, successors and assigns.

15. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

16. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Units by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Restricted Units provided to Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***Restricted Unit Governing Documents***"), the Restricted Unit Governing Documents shall control.

18. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The Restricted Unit Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof.

* * * * *

This Restricted Unit Agreement by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

(2020 CEO FORM)

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award of Restricted Units, subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***Restricted Unit Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (as modified by the Restricted Unit Agreement, the "***Management Unitholder's Agreement***"), as follows:

Total Number of Restricted Units:	The number of "Restricted Units" set forth on the Master Signature Page attached to this Notice of Grant.
Grant Date:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant.
Vesting Commencement Date:	February 2, 2020.
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested Restricted Units granted hereunder occurs and (b) the tenth (10th) anniversary of the Grant Date.

Earning:

Only "Earned Restricted Units" are eligible to become vested in accordance with the vesting schedule set forth below. Restricted Units become "***Earned Restricted Units***" based on (i) the Company's level of achievement of consolidated annual EBITDA for the Grant Year, or (ii) the Company's achievement of the Target Unit Price, or (iii) a Change of Control occurring during the Grant Year, in each case in accordance with the terms set forth on **Appendix A** attached hereto.

Vesting:

(a) Settlement of Earned Restricted Units is conditioned on satisfaction of two vesting requirements before the tenth (10th) anniversary of the Grant Date (or earlier termination of Restricted Units pursuant to Section 6 of the Restricted Unit Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement***") and (ii) a liquidity event requirement (the "***Liquidity Event Requirement***"), each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, and (ii) the date of a Change of Control (any of the foregoing (i) and (ii) being an "***Initial Vesting Event***").

(2) Time and Service Based Requirement: Provided that Grantee is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Earned Restricted Units:

(i) If the Initial Vesting Event occurs prior to the 48th monthly anniversary of the Grant Date, the total number of Earned Restricted Units that will vest on the Initial Vesting Event shall be increased by 1/48th upon each monthly anniversary of the Grant Date (for

example, if the Initial Vesting Event occurred immediately following the 24th monthly anniversary of the Grant Date, one half (1/2) of the Earned Restricted Units would vest on the Initial Vesting Event); provided, that, notwithstanding anything to the contrary contained herein, if Grantee's Employment is terminated by the Company without Cause or due to Grantee's resignation for Good Reason prior to the sixth monthly anniversary of the Grant Date, then 6/48s of the Earned Restricted Units will vest on the Initial Vesting Event, and

(ii) If the Initial Vesting Event occurs on or after the 48th monthly anniversary of the Grant Date, all of the Earned Restricted Units will vest on the Initial Vesting Event;

provided, that, if Grantee is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to one hundred percent (100%) of the Earned Restricted Units.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates.

Earned Restricted Units will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the Earned Restricted Units pursuant to Section 6 of the Restricted Unit Agreement).

(b) Earned Restricted Units Vested at Initial Vesting Event.

(1) If Grantee is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all (100%) of the Earned Restricted Units shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is an IPO, the Earned Restricted Units shall become vested as of the IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested Earned Restricted Units shall be subject to continued vesting on the vesting schedule set forth in clause (c) below, if applicable.

Example 1: Grantee holds 100 Earned Restricted Units granted on March 5, 2020 with a Vesting Commencement Date of February 2, 2020. A Change of Control occurs on March 5, 2022. On March 5, 2022, Grantee, who has remained in continuous Employment through that date, will vest in all 100 Earned Restricted Units.

Example 2: Grantee holds 100 Earned Restricted Units granted on March 5, 2020 with a Vesting Commencement Date of February 2, 2020. An IPO occurs on February 2, 2023. Grantee, who has remained in continuous Employment through that date, will vest in 50 Earned Restricted Units on February 2, 2023 (with settlement of such Restricted Units to occur on August 2, 2023 which is six months after the consummation of the IPO). The remaining 50 Earned Restricted Units will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 25 Earned Restricted Units will vest on February 2, 2023, and 25 Restricted Units will vest on February 2, 2024.

(2) If Grantee's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including all Earned Restricted Units (further including those Earned Restricted Units that met the Time and Service Based Requirement at the time of Grantee's termination of Employment), shall be forfeited, and all rights of Grantee to such Restricted Units shall have been terminated, as of the date of Grantee's termination of Employment.

(c) Earned Restricted Units Vested after IPO. If Grantee is in continuous Employment on the date of the IPO, then with respect to any unvested Earned Restricted Units as of the IPO, vesting shall continue under the Time and Service Based Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Grantee's Employment is terminated at any time following the IPO, any then-unvested Earned Restricted Units shall be forfeited, and all rights of Grantee to such then-unvested Earned Restricted Units shall terminate, as of the date of Grantee's termination of Employment.

See Example 2 above.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Earned Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the Earned Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned Restricted Unit or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested Earned Restricted Units; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan) ; provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in settlement of Restricted Units may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution. Settlement of vested Earned Restricted Units shall occur whether or not Grantee is Employed at the time of settlement.

Grantee understands that nothing in this Notice of Grant, the Restricted Unit Agreement, the Plan or the Management Unitholder's Agreement will confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause. Grantee also understands that this Notice of Grant is subject to the terms and conditions of the Restricted Unit Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Grantee has read this Notice of Grant, the Restricted Unit Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

Appendix A

Performance Targets

Restricted Units shall become Earned Restricted Units based on the Company's level of achievement of consolidated annual EBITDA for the 2020 fiscal year, which shall be the 52-week period ending on January 30, 2021 (such 52-week period, the "***Grant Year***"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "***Grant Year High Performance Target***"), then one hundred percent (100%) of the Restricted Units shall be Earned Restricted Units.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ (such amount, the "***Grant Year Low Performance Target***"), then the portion of the Restricted Units that shall be Earned Restricted Units shall be equal to a percentage, rounded to two decimal places (the "***Earned Percentage***"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $, which amount was the Company's consolidated annual EBITDA for the 2019 fiscal year (the "***Prior Year Performance Amount***"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Restricted Units that shall become Earned Restricted Units shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Restricted Units granted (rounded down to the nearest whole Restricted Unit).

  The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $. Based on such assumption, 51.75% of the Restricted Units shall become Earned Restricted Units.

(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount) ÷ (Grant Year High Performance Target – Prior Year Performance Amount) or

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Restricted Units shall become Earned Restricted Units.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon Grantee and all other interested persons.

Notwithstanding the foregoing, if prior to consummation of an IPO or Change of Control (i) any Restricted Units that have not become Earned Restricted Units remain outstanding and unvested as of

February 2, 2024, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "***Target Unit Price***"), then one hundred percent (100%) of the Restricted Units that have not become Earned Restricted Units as of such date shall become Earned Restricted Units immediately upon such determination by the Committee. For the avoidance of doubt, no Restricted Units may become Earned Restricted Units pursuant to this paragraph following a termination of Grantee's employment for any reason or following the consummation of an IPO or Change of Control.

Notwithstanding the foregoing, (i) if a Change of Control occurs during the Grant Year, then all outstanding Restricted Units shall automatically become Earned Restricted Units immediately prior to such Change of Control and (ii) if a Change of Control occurs following the Grant Year, any Restricted Units that are not Earned Restricted Units as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

(2020 CEO FORM)

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award (the "***Award***") of Restricted Units subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (as modified by this agreement, the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Grantee of Membership Units issued upon the settlement of vested Earned Restricted Units prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested Restricted Units as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested Earned Restricted Units unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Grantee shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested Earned Restricted Units, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of an IPO, any Earned Restricted Units then-held by Grantee for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the Earned Restricted Units to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Grantee shall receive payment of the applicable consideration in respect of such Earned Restricted Units on the applicable date of settlement of such vested Earned Restricted Units in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. Adjustment. Restricted Units shall be subject to adjustment as provided in Section 7 of the Plan.

5. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. Termination. If Grantee's Employment (as defined in the Notice of Grant) terminates for any reason, all Restricted Units for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Grantee to such Restricted Units shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. Demotion. No Restricted Unit which has not become vested at the date of Grantee's Demotion (as defined below) shall thereafter become vested; provided, that in the event of Demotion to a position that is eligible for Restricted Unit grants at a lower level than the level for which Grantee was eligible on the Grant Date (the "***New Position***"), then Grantee acknowledges and agrees that (a) the terms of the foregoing shall apply only to that part (if any) of the portion of the unvested Restricted Units that exceeds the minimum number of Restricted Units to which the New Position is eligible and (b) the Company may, in its sole discretion, further adjust (e.g., increase or reduce) the portion of the unvested Restricted Units that shall be forfeited at the date of Grantee's Demotion if, in its sole judgment, such further adjustment is appropriate; provided, further, that this Section 7 does not permit the Company to make an adjustment that results in an increase in the number of Restricted Units granted pursuant to the Notice of Grant. Notwithstanding anything to the contrary in the foregoing, the Company may, in its sole discretion, waive or adjust any portion of the terms of the immediately preceding sentence in the event of Demotion due to the transfer, illness or disability of Grantee, the occurrence of a force majeure event (including without limitation acts of God, strikes or labor disturbances) affecting Grantee's position or other similar circumstances. "***Demotion***" shall mean the demotion of Grantee to an Employment position which is not then eligible for grants of Restricted Units or to a position that is eligible for Restricted Unit grants at a lower level than the level for which Grantee was eligible on the Grant Date.

8. Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts. This Award, and the Membership Units issued to Grantee upon the settlement of vested Restricted Units, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

9. Withholding of Tax. When the Restricted Units are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Grantee is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Grantee's other compensation or require Grantee to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Grantee with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Grantee should consult Grantee's personal tax advisor for more information on the actual and potential tax consequences of this Award.

10. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Grantee, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Grantee's written consent.

11. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Grantee shall be addressed to Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Grantee, shall, if Grantee is then deceased, be given to Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 11.

12. Conformity to Section 409A. It is intended that the Restricted Units either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 12 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Grantees with respect to this Section 12 to the extent administered in accordance therewith.

13. No Right of Employment or Service. Nothing contained herein shall confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause.

14. Disputes. Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Grantee and Grantee's heirs, executors, administrators, legal representatives, successors and assigns.

16. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

17. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

18. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Units by electronic means. Grantee hereby consents to receive such documents

by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Restricted Units provided to Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***Restricted Unit Governing Documents***"), the Restricted Unit Governing Documents shall control.

19. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The Restricted Unit Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof.

* * * * *

This Restricted Unit Agreement by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

(2020 EXECUTIVE TEAM, SENIOR VICE PRESIDENT AND VICE PRESIDENT FORM)

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award of Restricted Units, subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***Restricted Unit Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (as modified by the Restricted Unit Agreement, the "***Management Unitholder's Agreement***"), as follows:

Total Number of Restricted Units:	The number of "Restricted Units" set forth on the Master Signature Page attached to this Notice of Grant.
Grant Date:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant.
Vesting Commencement Date:	February 2, 2020.
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested Restricted Units granted hereunder occurs and (b) the tenth (10th) anniversary of the Grant Date.

Earning:

Only "Earned Restricted Units" are eligible to become vested in accordance with the vesting schedule set forth below. Restricted Units become "***Earned Restricted Units***" based on (i) the Company's level of achievement of consolidated annual EBITDA for the Grant Year, or (ii) the Company's achievement of the Target Unit Price, or (iii) a Change of Control occurring during the Grant Year, in each case in accordance with the terms set forth on **Appendix A** attached hereto.

Vesting:

(a) Settlement of Earned Restricted Units is conditioned on satisfaction of two vesting requirements before the tenth (10th) anniversary of the Grant Date (or earlier termination of Restricted Units pursuant to Section 6 of the Restricted Unit Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement***") and (ii) a liquidity event requirement (the "***Liquidity Event Requirement***"), each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, and (ii) the date of a Change of Control (any of the foregoing (i) and (ii) being an "***Initial Vesting Event***").

(2) Time and Service Based Requirement: Provided that Grantee is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the Earned Restricted Units:

(i) Twenty-five percent (25%) on or after the date of determination by the Committee of the Company's actual consolidated annual EBITDA for the Grant Year but prior to the second anniversary of the Vesting Commencement Date,

(ii) Fifty percent (50%) on or after the second anniversary of the Vesting Commencement Date but prior to the third anniversary of the Vesting Commencement Date,

(iii) Seventy-five percent (75%) on or after third anniversary of the Vesting Commencement Date but prior to the fourth anniversary of the Vesting Commencement Date, and

(iv) One hundred percent (100%) on or after the fourth anniversary of the Vesting Commencement Date;

provided, that, if Grantee is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will thereupon be satisfied as to one hundred percent (100%) of the Earned Restricted Units.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates.

Earned Restricted Units will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the Earned Restricted Units pursuant to Section 6 of the Restricted Unit Agreement).

(b) Earned Restricted Units Vested at Initial Vesting Event.

(1) If Grantee is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all (100%) of the Earned Restricted Units shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is an IPO, the Earned Restricted Units shall become vested as of the IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested Earned Restricted Units shall be subject to continued vesting on the vesting schedule set forth in clause (c) below, if applicable.

Example 1: Grantee holds 100 Earned Restricted Units granted on March 5, 2020 with a Vesting Commencement Date of February 2, 2020. A Change of Control occurs on March 5, 2022. On March 5, 2022, Grantee, who has remained in continuous Employment through that date, will vest in all 100 Earned Restricted Units.

Example 2: Grantee holds 100 Earned Restricted Units granted on March 5, 2020 with a Vesting Commencement Date of February 2, 2020. An IPO occurs on February 2, 2023. Grantee, who has remained in continuous Employment through that date, will vest in 50 Earned Restricted Units on February 2, 2023 (with settlement of such Restricted Units to occur on August 2, 2023 which is six months after the consummation of the IPO). The remaining 50 Earned Restricted Units will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 25 Earned Restricted Units will vest on February 2, 2023, and 25 Restricted Units will vest on February 2, 2024.

(2) If Grantee's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all Restricted Units, including all Earned Restricted Units (further including those Earned Restricted Units that met the Time and Service Based Requirement at the time of Grantee's termination of Employment), shall be forfeited, and all rights of Grantee to such Restricted Units shall have been terminated, as of the date of Grantee's termination of Employment.

(c) Earned Restricted Units Vested after IPO. If Grantee is in continuous Employment on the date of the IPO, then with respect to any unvested Earned Restricted Units as of the IPO, vesting shall continue under the Time and Service Based Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Grantee's Employment is terminated at any time following the IPO, any then-unvested Earned Restricted Units shall be forfeited, and all rights of Grantee to such then-unvested Earned Restricted Units shall terminate, as of the date of Grantee's termination of Employment.

See Example 2 above.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, Earned Restricted Units that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the Earned Restricted Units that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned Restricted Unit or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested Earned Restricted Units; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan) ; provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in settlement of Restricted Units may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution. Settlement of vested Earned Restricted Units shall occur whether or not Grantee is Employed at the time of settlement.

Grantee understands that nothing in this Notice of Grant, the Restricted Unit Agreement, the Plan or the Management Unitholder's Agreement will confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause. Grantee also understands that this Notice of Grant is subject to the terms and conditions of the Restricted Unit Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Grantee has read this Notice of Grant, the Restricted Unit Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

Appendix A

Performance Targets

Restricted Units shall become Earned Restricted Units based on the Company's level of achievement of consolidated annual EBITDA for the 2020 fiscal year, which shall be the 52-week period ending on January 30, 2021 (such 52-week period, the "***Grant Year***"), in accordance with the following terms and conditions.

- If the Company's actual consolidated annual EBITDA for the Grant Year is equal to or greater than $, which amount is the Company's target consolidated annual EBITDA for the Grant Year (such amount, the "***Grant Year High Performance Target***"), then one hundred percent (100%) of the Restricted Units shall be Earned Restricted Units.
- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year High Performance Target but equal to or greater than $ (such amount, the "***Grant Year Low Performance Target***"), then the portion of the Restricted Units that shall be Earned Restricted Units shall be equal to a percentage, rounded to two decimal places (the "***Earned Percentage***"), calculated based on a fraction wherein the numerator is equal to the difference between (i) the Company's actual consolidated annual EBITDA for the Grant Year and (ii) $, which amount was the Company's consolidated annual EBITDA for the 2019 fiscal year (the "***Prior Year Performance Amount***"), and the denominator is equal to the difference between (i) the Grant Year High Performance Target and (ii) the Prior Year Performance Amount. The number of Restricted Units that shall become Earned Restricted Units shall be equal to an amount determined by multiplying (x) the Earned Percentage, by (y) the number of Restricted Units granted (rounded down to the nearest whole Restricted Unit).

  The illustrative example below assumes that the Company's actual consolidated annual EBITDA for the Grant Year is equal to $. Based on such assumption, 51.75% of the Restricted Units shall become Earned Restricted Units.

$$\frac{\text{(Actual consolidated annual EBITDA for the Grant Year – Prior Year Performance Amount)}}{\text{(Grant Year High Performance Target – Prior Year Performance Amount)}}$$ or

- If the Company's actual consolidated annual EBITDA for the Grant Year is less than the Grant Year Low Performance Target, then none (0.00%) of the Restricted Units shall become Earned Restricted Units.
- All determinations and interpretations relating to the Company's achievement of the Grant Year Low Performance Target and/or the Grant Year High Performance Target and the Fair Market Value of each Membership Unit of the Company shall be made in good faith by the Committee, and all determinations and interpretations made in good faith by the Committee shall be final and binding upon Grantee and all other interested persons.

Notwithstanding the foregoing, if prior to consummation of an IPO or Change of Control (i) any Restricted Units that have not become Earned Restricted Units remain outstanding and unvested as of

February 2, 2024, and (ii) the Committee determines that the Fair Market Value of a Membership Unit of the Company as of such date equals or exceeds $ (the "***Target Unit Price***"), then one hundred percent (100%) of the Restricted Units that have not become Earned Restricted Units as of such date shall become Earned Restricted Units immediately upon such determination by the Committee. For the avoidance of doubt, no Restricted Units may become Earned Restricted Units pursuant to this paragraph following a termination of Grantee's employment for any reason or following the consummation of an IPO or Change of Control.

Notwithstanding the foregoing, (i) if a Change of Control occurs during the Grant Year, then all outstanding Restricted Units shall automatically become Earned Restricted Units immediately prior to such Change of Control and (ii) if a Change of Control occurs following the Grant Year, any Restricted Units that are not Earned Restricted Units as of immediately prior to such Change of Control shall be automatically forfeited upon the consummation of such Change of Control

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

(2020 EXECUTIVE TEAM, SENIOR VICE PRESIDENT AND VICE PRESIDENT FORM)

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award (the "***Award***") of Restricted Units subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (as modified by this agreement, the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Grantee of Membership Units issued upon the settlement of vested Earned Restricted Units prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested Restricted Units as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested Earned Restricted Units unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Grantee shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested Earned Restricted Units, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of an IPO, any Earned Restricted Units then-held by Grantee for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the Earned Restricted Units to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Grantee shall receive payment of the applicable consideration in respect of such Earned Restricted Units on the applicable date of settlement of such vested Earned Restricted Units in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. Adjustment. Restricted Units shall be subject to adjustment as provided in Section 7 of the Plan.

5. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. Termination. If Grantee's Employment (as defined in the Notice of Grant) terminates for any reason, all Restricted Units for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Grantee to such Restricted Units shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. Demotion. No Restricted Unit which has not become vested at the date of Grantee's Demotion (as defined below) shall thereafter become vested; provided, that in the event of Demotion to a position that is eligible for Restricted Unit grants at a lower level than the level for which Grantee was eligible on the Grant Date (the "***New Position***"), then Grantee acknowledges and agrees that (a) the terms of the foregoing shall apply only to that part (if any) of the portion of the unvested Restricted Units that exceeds the minimum number of Restricted Units to which the New Position is eligible and (b) the Company may, in its sole discretion, further adjust (e.g., increase or reduce) the portion of the unvested Restricted Units that shall be forfeited at the date of Grantee's Demotion if, in its sole judgment, such further adjustment is appropriate; provided, further, that this Section 7 does not permit the Company to make an adjustment that results in an increase in the number of Restricted Units granted pursuant to the Notice of Grant. Notwithstanding anything to the contrary in the foregoing, the Company may, in its sole discretion, waive or adjust any portion of the terms of the immediately preceding sentence in the event of Demotion due to the transfer, illness or disability of Grantee, the occurrence of a force majeure event (including without limitation acts of God, strikes or labor disturbances) affecting Grantee's position or other similar circumstances. "***Demotion***" shall mean the demotion of Grantee to an Employment position which is not then eligible for grants of Restricted Units or to a position that is eligible for Restricted Unit grants at a lower level than the level for which Grantee was eligible on the Grant Date.

8. Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts. This Award, and the Membership Units issued to Grantee upon the settlement of vested Restricted Units, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

9. Withholding of Tax. When the Restricted Units are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Grantee is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Grantee's other compensation or require Grantee to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Grantee with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Grantee should consult Grantee's personal tax advisor for more information on the actual and potential tax consequences of this Award.

10. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Grantee, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Grantee's written consent.

11. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Grantee shall be addressed to Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Grantee, shall, if Grantee is then deceased, be given to Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 11.

12. Conformity to Section 409A. It is intended that the Restricted Units either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 12 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Grantees with respect to this Section 12 to the extent administered in accordance therewith.

13. No Right of Employment or Service. Nothing contained herein shall confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause.

14. Disputes. Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Grantee and Grantee's heirs, executors, administrators, legal representatives, successors and assigns.

16. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

17. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

18. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Units by electronic means. Grantee hereby consents to receive such documents

by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the Restricted Units provided to Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***Restricted Unit Governing Documents***"), the Restricted Unit Governing Documents shall control.

19. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The Restricted Unit Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof.

* * * * *

This Restricted Unit Agreement by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Grantee***") has been granted an award of Restricted Units ("***RUs***"), subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***RU Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (as modified by the RU Agreement, the "***Management Unitholder's Agreement***"), as follows:

Total Number of RUs:	The number of "Restricted Units of the Company" set forth on the Master Signature Page attached to this Notice of Grant
Grant Date:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested RUs granted hereunder occurs and (b) the fifth (5th) anniversary of the Grant Date.

Vesting:

(a) Settlement of RUs is conditioned on satisfaction of two vesting requirements before the fifth (5th) anniversary of the Grant Date (or earlier termination of RUs pursuant to Section 6 of the RU Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement***") and (ii) a liquidity event requirement (the "***Liquidity Event Requirement***"), each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, and (ii) the date of a Change of Control (any of the foregoing (i) and (ii) being an "***Initial Vesting Event***").

(2) Time and Service Based Requirement: Provided that Grantee is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the RUs:

(i) Twenty-five percent (25%) on or after the first anniversary of the Grant Date but prior to the second anniversary of the Grant Date,

(ii) Twenty-five percent (25%) on or after the second anniversary of the Grant Date but prior to the third anniversary of the Grant Date,

(iii) Twenty-five percent (25%) on or after third anniversary of the Grant Date but prior to the fourth anniversary of the Grant Date, and

(iv) Twenty-five percent (25%) on or after the fourth anniversary of the Grant Date;

provided, that, if Grantee is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will be satisfied as to one hundred percent (100%) of the RUs.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates.

RUs will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the RUs pursuant to Section 6 of the RU Agreement).

(b) RUs Vested at Initial Vesting Event.

(1) If Grantee is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the RUs shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is an IPO, the RUs shall become vested as of the IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested RUs shall be subject to continued vesting pursuant to clause (c) below, if applicable.

Example 1: Grantee holds 100 RUs granted with a Grant Date of March 7, 2019. A Change of Control occurs on March 8, 2021. On March 8, 2021, Grantee, who has remained in continuous Employment through that date, will vest in all 100 RUs.

Example 2: Grantee holds 100 RUs granted with a Grant Date of March 7, 2019. An IPO occurs on March 8, 2021. Grantee, who has remained in continuous Employment through that date, will vest in 50 RUs on March 8, 2021 (with settlement of such RUs to occur on September 8, 2021 which is six months after the consummation of the IPO). The remaining 50 RUs will vest according to the following schedule, subject to Grantee's continuous Employment on each vesting date: 25 RUs will vest on March 7, 2022, and 25 RUs will vest on March 7, 2023.

(2) If Grantee's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all RUs, including all RUs that met the Time and Service Based Requirement at the time of Grantee's termination of Employment, shall be forfeited, and all rights of Grantee to such RUs shall have been terminated, as of the date of Grantee's termination of Employment.

(c) RUs Vested after IPO. If Grantee is in continuous Employment on the date of the IPO, then with respect to any unvested RUs as of the IPO, vesting shall continue under the Time and Service Based Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Grantee's Employment is terminated at any time following the IPO, any then-unvested RUs shall be forfeited, and all rights of Grantee to such then-unvested RUs shall terminate, as of the date of Grantee's termination of Employment.

See Example 2 above.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, RUs that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the RUs that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned RU or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested RUs; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan). Settlement of vested RUs shall occur whether or not Grantee is Employed at the time of settlement; provided further, that Grantee agrees that the issuance of any Class B Units of Allstar Managers LLC in settlement of RUs may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Grantee followed by the contribution by Grantee of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Grantee agrees to execute any documents required to effect such contribution. Settlement of vested RUs shall occur whether or not Grantee is Employed at the time of settlement.

Grantee understands that nothing in this Notice of Grant, the RU Agreement, the Plan or the Management Unitholder's Agreement will confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause. Grantee also understands that this Notice of Grant is subject to the terms and conditions of the RU Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Grantee has read this Notice of Grant, the RU Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

You ("***Grantee***") have been granted an award (the "***Award***") of Restricted Units ("***RUs***") subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (as modified by this agreement, the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Grantee of Membership Units issued upon the settlement of vested RUs prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested RUs as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Grantee shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested RUs unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Grantee has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Grantee shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested RUs, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of an IPO, any RUs then-held by Grantee for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the RUs to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Grantee shall receive payment of the applicable consideration in respect of such RUs on the applicable date of settlement of such vested RUs in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. Adjustment. RUs shall be subject to adjustment as provided in Section 7 of the Plan.

5. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. Termination. If Grantee's Employment (as defined in the Notice of Grant) terminates for any reason, all RUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Grantee to such RUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. **Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts**. This Award, and the Membership Units issued to Grantee upon the settlement of vested RUs, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

8. Withholding of Tax. When the RUs are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Grantee is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Grantee's other compensation or require Grantee to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Grantee with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Grantee should consult Grantee's personal tax advisor for more information on the actual and potential tax consequences of this Award.

9. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Grantee, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Grantee's written consent.

10. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Grantee shall be addressed to Grantee at the address set forth in the Company's books and records. By a notice given pursuant to this Section 10, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Grantee, shall, if Grantee is then deceased, be given to Grantee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 10.

11. Conformity to Section 409A. It is intended that the RUs either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 12 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Grantees with respect to this Section 12 to the extent administered in accordance therewith.

12. No Right of Employment or Service. Nothing contained herein shall confer upon Grantee any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Grantee's Employment at any time for any reason whatsoever, with or without cause.

13. Disputes. Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Grantee and Grantee's heirs, executors, administrators, legal representatives, successors and assigns.

15. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

16. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the RUs by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the RUs provided to Grantee through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***RU Governing Documents***"), the RU Governing Documents shall control.

18. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The RU Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof.

* * * * *

This Restricted Unit Agreement by and among the Company, Managers LLC and Grantee (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the Grant Date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Participant***") has been granted an award of Restricted Units ("***RUs***"), subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***RU Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (the "***Management Unitholder's Agreement***"), as follows:

Total Number of RUs:	The number of "Restricted Units of the Company" set forth on the Master Signature Page attached to this Notice of Grant
Date of Grant:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested RUs granted hereunder occurs and (b) the seventh (7th) anniversary of the Date of Grant.

Vesting:

(a) Settlement of RUs is conditioned on satisfaction of two vesting requirements before the seventh (7th) anniversary of the Date of Grant (or earlier termination of RUs pursuant to Section 6 of the RU Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement***") and (ii) a liquidity event requirement (the "***Liquidity Event Requirement***"), each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, and (ii) the date of a Change of Control (any of the foregoing (i) and (ii) being an "***Initial Vesting Event***").

(2) Time and Service Based Requirement: Provided that Participant is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the RUs:

(i) If the Initial Vesting Event occurs prior to the 24th monthly anniversary of the Date of Grant, the total number of RUs that will vest on the Initial Vesting Event shall be increased by 1/24th upon each monthly anniversary of the Date of Grant (for example, if the Initial Vesting Event occurred immediately following the 12th monthly anniversary of the Date of Grant, one half (1/2) of the RUs would vest on the Initial Vesting Event); provided, that, notwithstanding anything to the contrary contained herein, if Participant's Employment is terminated by the Company without Cause or due to Participant's resignation for Good Reason prior to the sixth monthly anniversary of the Date of Grant, then 25% of the RUs will vest on the Initial Vesting Event, and

(ii) If the Initial Vesting Event occurs on or after the 24th monthly anniversary of the Date of Grant, all of the RUs will vest on the Initial Vesting Event; provided, that, if Participant is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will be satisfied as to one hundred percent (100%) of the RUs.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates and "***Cause***" and "***Good Reason***" shall have the meanings ascribed to such terms in the employment agreement by and among Participant, the Company and Academy Managing Co., L.L.C., dated as of May 16, 2018, as amended from time to time.

RUs will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the RUs pursuant to Section 6 of the RU Agreement).

(b) RUs Vested at Initial Vesting Event.

(1) If Participant is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the RUs shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is an IPO, the RUs shall become vested as of the IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested RUs shall be subject to continued vesting pursuant to clause (c) below, if applicable.

(2) Subject to the proviso in clause (a)(2)(i) above, if Participant's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all RUs, including all RUs that met the Time and Service Based Requirement at the time of Participant's termination of Employment, shall be forfeited, and all rights of Participant to such RUs shall have been terminated, as of the date of Participant's termination of Employment.

(c) RUs Vested after IPO. If Participant is in continuous Employment on the date of the IPO, then with respect to any unvested RUs as of the IPO, vesting shall continue under the Time and Service Based Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Participant's Employment is terminated at any time following the IPO, then, subject to the proviso in clause (a)(2)(i) above, any then-unvested RUs shall be forfeited, and all rights of Participant to such then-unvested RUs shall terminate, as of the date of Participant's termination of Employment.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, RUs that vest as of the Initial Vesting Event or any Subsequent Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the RUs that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned RU or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested RUs; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan). Settlement of vested RUs shall occur whether or not Participant is Employed at the time of settlement.

Participant understands that nothing in this Notice of Grant, the RU Agreement, the Plan or the Management Unitholder's Agreement will confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or without cause. Participant also understands that this Notice of Grant is subject to the terms and conditions of the RU Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Participant has read this Notice of Grant, the RU Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award among the Company, Managers LLC and Participant (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "*Plan*") shall have the same meanings in this Restricted Unit Agreement (the "*Agreement*").

You ("*Participant*") have been granted an award (the "*Award*") of Restricted Units ("*RUs*") subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("*Notice of Grant*"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (the "*Management Unitholder's Agreement*").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Participant of Membership Units issued upon the settlement of vested RUs prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested RUs as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Participant shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested RUs unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Participant has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Participant shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested RUs, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of an IPO, any RUs then-held by Participant for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the RUs to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Participant shall receive payment of the applicable consideration in respect of such RUs on the applicable date of settlement of such vested RUs in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. Adjustment. RUs shall be subject to adjustment as provided in Section 7 of the Plan.

5. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. Termination. If Participant's Employment (as defined in the Notice of Grant) terminates for any reason, all RUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Participant to such RUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts. This Award, and the Membership Units issued to Participant upon the settlement of vested RUs, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

8. Withholding of Tax. When the RUs are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Participant is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Participant's other compensation or require Participant to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Participant with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Participant should consult Participant's personal tax advisor for more information on the actual and potential tax consequences of this Award.

9. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Participant's written consent.

10. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Participant shall be addressed to Participant at the address set forth in the Company's books and records. By a notice given pursuant to this Section 10, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant, shall, if Participant is then deceased, be given to Participant's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 10.

11. Conformity to Section 409A. It is intended that the RUs either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 11 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 11 to the extent administered in accordance therewith.

12. No Right of Employment or Service. Nothing contained herein shall confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or without cause.

13. Disputes. Notwithstanding anything in the Plan or Participant's Individual Agreement to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in the Individual Agreement, or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

15. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

16. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the RUs by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the RUs provided to Participant through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "*RU Governing Documents*"), the RU Governing Documents shall control.

18. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The RU Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

* * * * *

This Notice of Restricted Unit Award among the Company, Managers LLC and Participant (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
AMENDMENT NO.1 TO THE
NOTICE OF RESTRICTED UNIT AWARD AND RESTRICTED UNIT AGREEMENT

This Amendment No.1 (this "Amendment") to the Notice of Restricted Unit Award (the "Notice") and Restricted Unit Agreement (the "Agreement") by and between New Academy Holding Company LLC, a Delaware limited liability company (the "Company"), and (the "Participant"), each dated as of September 16, 2018 (the Notice and Agreement, collectively, the "RU Agreement"), is hereby entered into by and between the company and the participant as of January 30, 2019.

WHEREAS, pursuant to Section 15 of the Agreement. The Company and the participant desire to amend the terms of the RU Agreement as set forth therein.

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained, the Company and the participant do hereby agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the RU Agreement, as amended, modified or supplemented from time to time.

2. Amendments. The parties hereto agree to the following amendments to the RU Agreement:

(a) The following shall be added as a new section to the Notice and located between the "Date of Grant" and "Expiration Date" sections of the Notice:

"Vesting Commencement Date: June 22, 2018

(b) Subsection (a)(2) of the "Vesting" section of the Notice is hereby deleted and replaced with the following:

"(2) Time and Service Based Requirement: Provided that Participant is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the RUs:

(i) If the Initial Vesting Event occurs prior to the 24th monthly anniversary of the Vesting Commencement Date, the total number of RUs that will vest on the Initial Vesting Event shall be increased by 1/24th upon each monthly anniversary of the Vesting Commencement Date (for example, if the Initial Vesting Event occurred immediately following the 12th monthly anniversary of the Vesting Commencement Date, one half (1/2) of the RUs would vest on the Initial vesting event); provided, that, notwithstanding anything to the contrary contained herein, if participant's Employment is terminated by the Company without Cause or due to Participant's resignation for Good Reason prior to the sixth monthly anniversary of the Vesting Commencement Date, then 25% of the RUs will vest on the Initial Vesting Event, and

(ii) If the Initial Vesting Event occurs on or after the 24th monthly anniversary of the Vesting Commencement Date, all of the RUs will vest on the Initial Vesting Event;

Provided , that, if participant is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will be satisfied as to one hundred percent (100%) of the RUs."

3. Ratification. Other than as amended by this Amendment, all other provisions of the RU Agreement remain unchanged, shall continue in full effect, and are hereby ratified by the company and the participant.

4. Entire Agreement. The RU Agreement (as amended by this Amendment) contains the entire agreement between the Company and the Participant concerning the issuance of RUs to the Participant as provided therein, and supersedes all prior agreements, written or oral, between the Company and the Participant with respect thereto.

5. Governing Law. This Amendment shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

6. Counterparts: This Amendment may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(Remainder of page intentionally left blank. Signature page follows.)

In WITNESS WHEREOF, the Company and the Participant have executed this Amendment effective as of the date first written above.

COMPANY:

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ William S.Ennis
Name: William S.Ennis
Title: Senior Vice President - Chief Human Resources Officer

PARTICIPANT:

By: _____
Name:

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD FOR INDEPENDENT NON-EMPLOYEE DIRECTORS

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

Name:

Address:

You ("***Participant***") have been granted an award of Restricted Units ("***RUs***"), subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***RU Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (as modified by the RU Agreement, the "***Management Unitholder's Agreement***"), as follows:

Total Number of RUs:

Date of Grant: March 6, 2018

Expiration Date: The second (2nd) anniversary of the Date of Grant.

Vesting:

Subject to Participant's continued Employment on such date, 100% of the RUs shall vest on the earliest of (i) the first anniversary of the Date of Grant, (ii) Participant's termination of Employment due to death or Disability or (iii) a Change of Control.

For purposes of this Notice of Grant, (i) "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates and (ii) "***Disability***" means a physical or mental illness, incapacity or disability which has prevented Participant from substantially performing Participant's material duties for a period of one-hundred and eighty (180) consecutive days.

Settlement:

Settlement of RUs shall be made within thirty (30) days following the date of the applicable vesting event as set forth above. Settlement means the issuance of a Membership Unit in respect of each vested RU or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to a Membership Unit; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan); provided further that Participant agrees that the issuance of any Class B Units of Allstar Managers LLC in settlement of RUs may, in the Committee's sole discretion, be structured as the issuance of Membership Units to Participant followed by the contribution by Participant of such Membership Units to Allstar Managers LLC in exchange for Class B Units of Allstar Managers LLC, and Participant agrees to execute any documents required to effect such contribution. Settlement of vested RUs shall occur whether or not Participant is Employed at the time of settlement.

Participant understands that nothing in this Notice of Grant, the RU Agreement, the Plan or the Management Unitholder's Agreement will confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or

without cause. Participant also understands that this Notice of Grant is subject to the terms and conditions of the RU Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Participant has read this Notice of Grant, the RU Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award among the Company, Managers LLC and Director (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT FOR INDEPENDENT NON-EMPLOYEE DIRECTORS
UNDER THE 2011 UNIT INCENTIVE PLAN

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

You ("***Participant***") have been granted an award (the "***Award***") of Restricted Units ("***RUs***") subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (as modified by this Agreement, the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Participant of Membership Units issued upon the settlement of vested RUs prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested RUs as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Participant shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested RUs unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Participant has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Participant shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested RUs, once the criteria contained in Section 1 above have been satisfied.

3. Dividend Equivalents. Dividends, if any (whether in cash or Membership Units), shall not be credited to Participant.

4. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

5. Termination . If Participant's Employment (as defined in the Notice of Grant) terminates for any reason other than for death or Disability (as defined in the Notice of Grant), all unvested RUs shall be forfeited to the Company forthwith, and all rights of Participant to such RUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

6. Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts. This Award, and the Membership Units issued to Participant upon the settlement of vested RUs, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's

Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof; provided, that, Sections 1.3, 1.4, 1.5, 1.6 (with all references to "Cause" in any other provision of the Management Unitholder's Agreement being replaced with "cause"), 1.14, 1.16, 1.25, 1.26, 1.32, 1.35, 1.39, 1.40, 1.41, 1.42, 1.47, 3.2(b), 5, 6 and 7, the language in parenthesis in clause (y) of each of Sections 4.1(b)(ii) and 4.1(b)(iii) and Annex A of the Management Unitholder's Agreement shall not apply to any Membership Units issued in settlement of RUs granted under this Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, this Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

7. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided , that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement without Participant's written consent.

8. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Participant shall be addressed to Participant at the address set forth in the Company's books and records. By a notice given pursuant to this Section 8, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant, shall, if Participant is then deceased, be given to Participant's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 8.

9. Conformity to Section 409A. It is intended that the RUs either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 9 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 9 to the extent administered in accordance therewith.

10. No Right of Employment or Service. Nothing contained herein shall confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or without cause.

11. Disputes. Notwithstanding anything in the Plan to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

12. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

13. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

14. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

15. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the RUs by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the RUs provided to Participant through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***RU Governing Documents***"), the RU Governing Documents shall control.

16. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The Notice of Grant, this Agreement, the Plan and the Management Unitholder's Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

NEW ACADEMY HOLDING COMPANY LLC
2011 UNIT INCENTIVE PLAN
NOTICE OF RESTRICTED UNIT AWARD

Unless otherwise defined herein, terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), shall have the same meanings in this Notice of Restricted Unit Award ("***Notice of Grant***").

The individual whose name is set forth on the Master Signature Page attached to this Notice of Grant ("***Participant***") has been granted an award of Restricted Units ("***RUs***"), subject to the terms and conditions of this Notice of Grant, the attached Restricted Unit Agreement (the "***RU Agreement***"), the Plan and the Management Unitholder's Agreement to be entered into by and among the Company, Allstar Managers LLC, and you (the "***Management Unitholder's Agreement***"), as follows:

Total Number of RUs:	The number of "Restricted Units of the Company" set forth on the Master Signature Page attached to this Notice of Grant
Date of Grant:	The "Grant Date" set forth on the Master Signature Page attached to this Notice of Grant
Expiration Date:	The earlier to occur of: (a) the date on which settlement of all vested RUs granted hereunder occurs and (b) the fifth (5th) anniversary of the Date of Grant.

Vesting:

(a) Settlement of RUs is conditioned on satisfaction of two vesting requirements before the fifth (5th) anniversary of the Date of Grant (or earlier termination of RUs pursuant to Section 6 of the RU Agreement): (i) a time and service based requirement (the "***Time and Service Based Requirement***") and (ii) a liquidity event requirement (the "***Liquidity Event Requirement***"), each as described in clauses (1) and (2) below:

(1) Liquidity Event Requirement: The Liquidity Event Requirement will be satisfied on the earliest to occur of: (i) the consummation of an IPO, and (ii) the date of a Change of Control (any of the foregoing (i) and (ii) being an "***Initial Vesting Event***").

(2) Time and Service Based Requirement: Provided that Participant is in continuous Employment on each applicable vesting date described below, the Time and Service Based Requirement will be satisfied as to the following percentages of the RUs:

(i) Twenty-five percent (25%) on or after the first anniversary of the Date of Grant but prior to the second anniversary of the Date of Grant,

(ii) Twenty-five percent (25%) on or after the second anniversary of the Date of Grant but prior to the third anniversary of the Date of Grant,

(iii) Twenty-five percent (25%) on or after third anniversary of the Date of Grant but prior to the fourth anniversary of the Date of Grant, and

(iv) Twenty-five percent (25%) on or after the fourth anniversary of the Date of Grant;

provided, that, if Participant is in continuous Employment on the date of a Change of Control, then the Time and Service Based Requirement will be satisfied as to one hundred percent (100%) of the RUs.

For purposes of this Notice of Grant, "***Employed***" or "***Employment***" means employment by the Company or any of its Affiliates or the performance of services (whether as an employee, consultant, director or member or other service provider) to the Company or any of its Affiliates.

RUs will only vest as set forth in paragraphs (b) and (c) below if both the Time and Service Based Requirement and the Liquidity Event Requirement are satisfied before the Expiration Date (or earlier termination of the RUs pursuant to Section 6 of the RU Agreement).

(b) RUs Vested at Initial Vesting Event.

(1) If Participant is in continuous Employment on the date of the Initial Vesting Event, then (i) if the Initial Vesting Event is a Change of Control, all of the RUs shall be vested upon the Change of Control as provided in the proviso of the end of clause (a)(2) above, and (ii) if the Initial Vesting Event is an IPO, the RUs shall become vested as of the IPO based on the vesting schedule set forth in clause (a)(2) above and any then-unvested RUs shall be subject to continued vesting pursuant to clause (c) below, if applicable.

Example 1: Participant holds 100 RUs granted on March 6, 2018 with a Date of Grant of February 4, 2018. A Change of Control occurs on March 6, 2020. On March 6, 2020, Participant, who has remained in continuous Employment through that date, will vest in all 100 RUs.

Example 2: Participant holds 100 RUs granted on March 6, 2018 with a Date of Grant of February 4, 2018. An IPO occurs on February 4, 2021. Participant, who has remained in continuous Employment through that date, will vest in 50 RUs on such date (with settlement of such RUs to occur on August 4, 2022 which is six months after the consummation of the IPO). The remaining 50 RUs will vest according to the following schedule, subject to Participant's continuous Employment on each vesting date: 25 RUs will vest on February 4, 2022, and 25 RUs will vest on February 4, 2022.

(2) If Participant's continuous Employment terminates for any reason prior to the date of the Initial Vesting Event, then all RUs, including all RUs that met the Time and Service Based Requirement at the time of Participant's termination of Employment, shall be forfeited, and all rights of Participant to such RUs shall have been terminated, as of the date of Participant's termination of Employment.

(c) RUs Vested after IPO. If Participant is in continuous Employment on the date of the IPO, then with respect to any unvested RUs as of the IPO, vesting shall continue under the Time and Service Based

Requirement as set forth in clause (a)(2) above (each vesting date a "***Subsequent Vesting Event***"). If Participant's Employment is terminated at any time following the IPO, any then-unvested RUs shall be forfeited, and all rights of Participant to such then-unvested RUs shall terminate, as of the date of Participant's termination of Employment.

See Example 2 above.

(d) If application of a vesting percentage would cause vesting of a fractional Membership Unit, then such vesting shall be rounded down to the nearest whole Membership Unit and such fractional Membership Unit shall cumulate with any other fractional Membership Units and such fractions shall vest as they aggregate into a whole Membership Unit.

Settlement: Within thirty (30) days following the occurrence of the Initial Vesting Event or any Subsequent Vesting Event as set forth above, RUs that vest as of the Initial Vesting Event or any Subsequent

Vesting Event shall be settled; provided, that if the Initial Vesting Event is an IPO, the RUs that vest as of the IPO shall be settled on the earlier to occur of (x) the date that is six (6) months after the consummation of the IPO or (y) March 15th of the calendar year following the calendar year in which the IPO is consummated. Settlement means the issuance of a Membership Unit in respect of each vested Earned RU or, in the Committee's sole discretion, a number of Class B Units of Allstar Managers LLC having an equivalent value to the vested RUs; provided, that following the consummation of an IPO, settlement may be made in the form of common stock of the underlying corporate entity experiencing the IPO (within the meaning of the Plan). Settlement of vested RUs shall occur whether or not Participant is Employed at the time of settlement.

Participant understands that nothing in this Notice of Grant, the RU Agreement, the Plan or the Management Unitholder's Agreement will confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or without cause. Participant also understands that this Notice of Grant is subject to the terms and conditions of the RU Agreement, the Plan and the Management Unitholder's Agreement, each of which are incorporated herein by reference. Participant has read this Notice of Grant, the RU Agreement, the Plan and the Management Unitholders' Agreement.

* * * * *

This Notice of Restricted Unit Award among the Company, Managers LLC and Participant (whose name is set forth on the Master Signature Page attached hereto) is dated and executed as of the date set forth on such Master Signature Page.

* * * * *

NEW ACADEMY HOLDING COMPANY LLC
RESTRICTED UNIT AGREEMENT UNDER THE
2011 UNIT INCENTIVE PLAN

Terms defined in the New Academy Holding Company LLC 2011 Unit Incentive Plan (the "***Plan***") shall have the same meanings in this Restricted Unit Agreement (the "***Agreement***").

You ("***Participant***") have been granted an award (the "***Award***") of Restricted Units ("***RUs***") subject to the terms, restrictions and conditions of the Notice of Restricted Unit Award ("***Notice of Grant***"), this Agreement, the Plan and the Management Unitholder's Agreement entered into by and among the Company, Allstar Managers LLC, and you (the "***Management Unitholder's Agreement***").

1. Conditions to Issuance of Membership Units. The Company shall not be required to record the ownership by Participant of Membership Units issued upon the settlement of vested RUs prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary;

(b) the lapse of such reasonable period of time following the settlement of the vested RUs as may otherwise be required by applicable law; and

(c) the execution and delivery to the Company, to the extent not so previously executed and delivered, of the Management Unitholder's Agreement and such other documents and instruments as may be reasonably required by the Committee.

2. Rights as Unitholder; Member. Participant shall not be, and shall not have any of the rights or privileges of, unitholders or members of the Company in respect of any Membership Units issuable upon the settlement of vested RUs unless and until a book entry representing such Membership Units has been made on the books and records of the Company and Participant has been admitted as a member pursuant to the terms of the LLC Agreement; provided, that Participant shall be deemed to be admitted as a member, retroactive to the date of the settlement of vested RUs, once the criteria contained in Section 1 above have been satisfied.

3. Tag-Along Rights; Drag-Along Rights. Notwithstanding any provision of the LLC Agreement to the contrary, if an event giving rise to a tag-along right pursuant to Section 4.3 of the LLC Agreement or a drag-along right pursuant to Section 4.4 of the LLC Agreement, in either case, occurs prior to the effective date of an IPO, any RUs then-held by Participant for which the Time and Service Based Requirement (as set forth in clause (a)(2) of the Notice of Grant) has been satisfied shall be subject to such tag-along provisions of Section 4.3 or drag-along provisions of Section 4.4, respectively, of the LLC Agreement except that, to the extent necessary for the RUs to be exempt from Section 409A, payment shall remain subject to the Liquidity Event Requirement (as set forth in clause (a)(1) of the Notice of Grant), such that Participant shall receive payment of the applicable consideration in respect of such RUs on the applicable date of settlement of such vested RUs in accordance with the terms of the Notice of Grant and this Agreement (in lieu of payment at the time of transfer pursuant to the LLC Agreement). This Section 3 shall terminate and be of no further force and effect upon a Change of Control.

4. Adjustment. RUs shall be subject to adjustment as provided in Section 7 of the Plan.

5. No Transfer. This Award and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

6. Termination. If Participant's Employment (as defined in the Notice of Grant) terminates for any reason, all RUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Participant to such RUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. Award Subject to Plan and Management Unitholder's Agreement; Survival of Terms; Conflicts. This Award, and the Membership Units issued to Participant upon the settlement of vested RUs, shall be subject to all of the terms and provisions of the Plan and the Management Unitholder's Agreement, to the extent applicable to this Award and such Membership Units, and all such applicable terms are hereby incorporated by reference and made a part hereof, including, without limitation, those provisions contained in Sections 4.1, 5 and 7 of the Management Unitholder's Agreement. In the event of any conflict between this Agreement and the Management Unitholder's Agreement, the Management Unitholder's Agreement shall control. This Award also remains subject to the terms of the Plan, and, in the event of any conflict between specific provisions of the Plan and this Agreement, the Plan shall control. The provisions of this Agreement shall survive the termination of the Award to the extent consistent with, or necessary to carry out, the purposes thereof.

8. Withholding of Tax. When the RUs are vested and/or settled the total fair market value of the aggregate number of Membership Units issued to Participant is treated as income subject to withholding by the Company for income and/or employment taxes. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from Participant's other compensation or require Participant to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Membership Units otherwise issuable to Participant with a fair market value (determined on the date the Membership Units are issued) equal to the minimum amount the Company is then required to withhold for taxes. Participant should consult Participant's personal tax advisor for more information on the actual and potential tax consequences of this Award.

9. Administration. The Committee shall have the power to interpret the Plan and this Award, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Award; provided, that in no event may the Board or the Committee terminate the Plan or the Award, other than pursuant to Section 8 or 9 of the Plan, or the Management Unitholder's Agreement, without Participant's written consent.

10. Notices. Any notice to be given under the terms of this Award to the Company shall be addressed to the Company in care of the Secretary, and any notice to be given to Participant shall be addressed to Participant at the address set forth in the Company's books and records. By a notice given pursuant to this Section 10, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant, shall, if Participant is then deceased, be given to Participant's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 10.

11. Conformity to Section 409A. It is intended that the RUs either be exempt from or comply with Section 409A, and this Award shall be interpreted accordingly. The Committee shall use commercially reasonable efforts to implement the provisions of this Section 12 in good faith; provided, that none of the Company, the Board, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 12 to the extent administered in accordance therewith.

12. No Right of Employment or Service. Nothing contained herein shall confer upon Participant any right to continue in Employment or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to terminate Participant's Employment at any time for any reason whatsoever, with or without cause.

13. Disputes. Notwithstanding anything in the Plan or Participant's Individual Agreement to the contrary, any dispute with regard to the enforcement of this Award shall be exclusively resolved pursuant to the dispute resolution procedures as set forth in the Individual Agreement, or if no such procedures exist therein, pursuant to Section 14(h) of the Plan; provided, that any arbitration conducted pursuant to Section 14(h) of the Plan shall be conducted in the State of Texas.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

15. Amendment. Subject to Section 9 of the Plan, this Award may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Award.

16. Governing Law. This Award shall be governed in all respects by the laws of the State of Delaware, without giving effect to the principal of conflict of laws.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the RUs by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. In the event that any information regarding the RUs provided to Participant through the stock plan administrator's web portal or otherwise conflicts with any of the terms and conditions of this Agreement, the Notice of Grant, the Plan or the Management Unitholder's Agreement (collectively, the "***RU Governing Documents***"), the RU Governing Documents shall control.

18. Entire Agreement. The Notice of Grant, the Plan and the Management Unitholder's Agreement are incorporated herein by reference. The RU Governing Documents constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

Exhibit 10.29

EMPLOYMENT AGREEMENT

by and among

ACADEMY MANAGING CO., L.L.C.

NEW ACADEMY HOLDING COMPANY, LLC

and

KEN C. HICKS

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), dated as of August 2, 2018 (the "***Effective Date***"), is entered into by and among Ken C. Hicks (the "***Executive***"), Academy Managing Co., L.L.C., a Texas limited liability company (the "***Company***"), and New Academy Holding Company, LLC, a Delaware limited liability company (the "***Parent***").

WHEREAS, the Company, sole general partner of Academy, Ltd., a Texas limited partnership ("***Academy***"), desires to employ the Executive as President and Chief Executive Officer of the Company and to encourage the attention and dedication to the Company of the Executive as a member of the Company's management pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Executive desire to set forth in this Agreement the terms and conditions of the Executive's employment with the Company; and

WHEREAS, the Executive acknowledges that (i) the Executive's employment with the Company will provide the Executive with trade secrets of, and confidential information concerning, the Company, the Parent and the entities controlled by, controlling or under common control with the Company or the Parent that conduct Academy's business (such entities, together with the Company and the Parent, collectively, the "***Company Group***"), and (ii) the covenants contained in this Agreement are essential to protect the business and goodwill of the Company Group.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment and Term. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. The period of employment of the Executive by the Company hereunder (the "***Employment Period***") commenced on May 16, 2018 (the "***Commencement Date***"), and shall end when terminated by either the Company or the Executive in accordance with Section 6 hereof.

2. Position and Duties.

(a) As of the Commencement Date, the Executive shall serve as President and Chief Executive Officer of the Company, in which capacity the Executive shall perform the usual and customary duties of such offices, which shall be those normally inherent in such capacities in companies of similar size and character as the Company Group. The Executive shall report to the Parent's Board of Managers or, if and when applicable, the equivalent ultimate governing authority of the Company Group (the "***Board***"). The Executive shall, if requested, also serve as an officer or director of any member of the Company Group for no additional compensation. For so long as the Executive serves as the Chief Executive Officer of the Company while the ownership interests of the Company Group are privately held, the Executive shall serve as the Chairman of the Board. For so long as the Executive serves as the Chief Executive Officer of the Company while any of the ownership interests of the Company Group are publicly traded, the Executive shall be nominated for shareholder approval to serve as Chairman of the Board. The Executive agrees and acknowledges that, in connection with his employment relationship with the Company, the Executive owes fiduciary duties to the Company Group and will act accordingly.

(b) During the Employment Period, the Executive agrees to devote substantially his full time, attention and energies to the Company Group's business and agrees to faithfully and diligently endeavor to the best of his ability to further the best interests of the Company Group. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 9 hereof, this shall not be construed as preventing the Executive from investing his own assets in such form or manner as will not require his services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to Section 9 hereof, the Executive may (i) continue to serve as a member of the board of directors of Avery Dennison Corporation and (ii) serve as a director of other companies, if such service is approved by the Board, in each case so long as such service is not detrimental to the Company Group, does not interfere with the Executive's service to the Company Group, and does not present the Executive with a conflict of interest.

(c) In keeping with the Executive's fiduciary duties to the Company Group, the Executive agrees that he shall not, directly or indirectly, become involved in any conflict of interest matter or transaction or, upon discovery thereof, allow such a conflict of interest matter or transaction to continue. The Executive agrees that he shall promptly disclose to the Board any facts related to any matter or transaction which might involve any reasonable possibility of a conflict of interest, or be perceived as such.

(d) Circumstances in which a conflict of interest on the part of the Executive would or might arise, and which should be reported immediately by the Executive to the Board, include, but are not limited to, the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the Company Group does business; (ii) misuse of information or facilities to which the Executive has access in a manner which will be detrimental to the Company Group's interest; (iii) disclosure or other misuse of Confidential Information (as defined in Section 9(a) hereof); (iv) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products or services designed, manufactured or marketed by the Company Group; (v) the appropriation to the Executive or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that the Company Group would be interested; (vi) the ownership, directly or indirectly, of a material interest in an enterprise in competition with the Company Group or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with the Company Group; and (vii) if not otherwise listed in this provision, any other circumstances that would create a conflict of interest under the Company's Ethics and Code of Conduct Policy and any successors thereto.

(e) Further, the Executive covenants, warrants and represents that he shall:

(i) devote his full and best efforts to the fulfillment of his employment obligations hereunder; and

(ii) exercise the highest degree of fiduciary loyalty and care and the highest standards of conduct in the performance of his duties hereunder.

(f) For purposes of this Section 2, the determination of whether any matter or transaction constitutes a conflict of interest hereunder shall be made solely by the Board in its reasonable discretion; provided, that any matter or transaction that is permitted by or otherwise in compliance with the terms and conditions of all applicable ethics, conflict of interest or similar written policies of the Company Group in effect at the time of such determination shall not be a conflict of interest hereunder.

3. Place of Performance. In connection with the Executive's employment by the Company, the Executive's principal business address shall be at the Company's current principal executive offices in Katy, Texas (the "***Principal Place of Employment***"). The Executive acknowledges that the Executive's duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive's duties and responsibilities hereunder.

4. Compensation and Related Matters.

(a) *Base Salary.* During the Employment Period, the Company shall pay, or cause Academy to pay, the Executive an annual base salary (the "***Base Salary***") in an amount that shall be established from time to time by the Board or a compensation committee thereof, payable in approximately equal installments in accordance with the Company Group's customary payroll practices. The initial Base Salary for fiscal year 2018 shall be $1,100,000. The Board or a compensation committee thereof shall review the Base Salary at least once annually during the Employment Period. The Base Salary may, at the discretion of the Board or a compensation committee thereof, be increased but not decreased during the Employment Period.

(b) *Annual Bonuses.* Effective commencing with the Company's 2018 fiscal year, the Executive shall be eligible to participate in an annual cash bonus plan maintained by the Company or Academy, as applicable (the "***Annual Incentive Plan***"), during the Employment Period. Except as expressly provided otherwise in this Section 4(b), the annual bonus opportunity afforded the Executive pursuant to this Section 4(b) (the "***Annual Bonus***") may vary from year to year and any Annual Bonus earned thereunder shall be paid at a time and in a manner consistent with the Company's or Academy's, as applicable, customary practices. Effective commencing with the Company's 2018 fiscal year, the Annual Bonus for each fiscal year will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn an annual bonus amount targeted at one hundred and fifty percent (150%) of the Base Salary in effect for such fiscal year (the "***Target Bonus Opportunity***"), with a threshold bonus equal to fifty percent (50%) of the Target Bonus Opportunity (if the Executive does not achieve annual target performance goals established by the Board or a compensation committee thereof, but achieves threshold performance targets established by the Board or a compensation committee thereof) and a maximum possible bonus equal to three hundred percent (300%) of the Target Bonus

Opportunity (if the Executive achieves superior performance targets established by the Board or a compensation committee thereof), with the actual Annual Bonus payable, if any, being determined based on the achievement of such pre-established performance targets for such fiscal year, with any Annual Bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Annual Incentive Plan. The establishment of performance targets and the determination of the achievement of those targets will in all cases be subject to the determination of the Board or a compensation committee thereof. The Annual Bonus is not an accrued right under this Agreement. Notwithstanding the foregoing, any Annual Bonus earned with respect to the Company's 2018 fiscal year will be prorated to reflect the Executive's partial year of employment with the Company. Except as specifically provided in Section 8 hereof, the Executive shall not be entitled to a pro rata Annual Bonus upon a termination of employment for any reason.

(c) *Expenses.* The Company shall (or shall cause Academy to) reimburse the Executive for all reasonable business, entertainment and travel expenses incurred during the Employment Period by the Executive in performing services hereunder, including all travel expenses while away from the Katy, Texas area on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred, accounted for, and reimbursed in accordance with the Company's expense reimbursement policy.

(d) *Perquisites.* During the Employment Period, (i) the Company shall pay directly or reimburse the Executive for the reasonable monthly rent and utilities costs (including electric, gas, water, alarm and Internet but excluding meals and laundry) for a furnished rental apartment in the Katy, Texas area, (ii) the Executive shall have the use of a Company-owned automobile when in the Katy, Texas area, and the Company shall pay for satellite radio and all maintenance and insurance costs, but not gasoline, with respect to such automobile (the Executive may submit for gas reimbursement in accordance with Company policy to the extent the automobile is being used for Company business and the Executive will be provided with a toll tag for use with such automobile), and (iii) on a monthly basis, the Company shall pay directly or reimburse the Executive for all reasonable and necessary expenses incurred by Executive in connection with commuting from his home residence in Napa, California to the Katy, Texas area in order to discharge his duties hereunder (which, for the avoidance of doubt, would include the jet card payments for private air travel, cost of meals on the flights and transportation to and from airports). In addition, the Executive shall be entitled to receive from the Company, on a monthly basis, an additional payment in an amount sufficient to indemnify him on a net after-tax basis for any income tax associated with the provision of any of the perquisites described in this Section 4(d).

(e) *Other Benefits.* During the Employment Period, the Executive shall be entitled to participate in all of the employee benefit plans and programs and fringe benefits and perquisites arrangements made available by the Company to its other senior executive officers, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements.

(f) *Vacation.* During the Employment Period, the Executive shall be entitled to paid vacations and holidays in accordance with the Company's vacation and holiday policies in effect from time to time for the Company's senior executive officers, but in no event shall the Executive be entitled to less than five (5) paid weeks of vacation during each calendar year (prorated for 2018).

(g) *Investment Opportunity*. At any time prior to October 1, 2018 (and subject to the Executive's continued employment at such time), the Executive will be permitted to indirectly invest in the equity of the Parent, through the purchase of Class B Units of Allstar Managers LLC, a Delaware limited liability company ("***Allstar Managers***") and member of the Parent, in an amount having an aggregate value to be determined by the Board and the Executive, based on a purchase price per unit equal to the then-current fair market value per Class B Unit of Allstar Managers, as determined by the Board.

(h) *Equity Grants*. As soon as is reasonably practicable following the Effective Date (and subject to the Executive's continued employment on the grant date), the Executive shall be granted (i) restricted Membership Units of the Parent (the "***Restricted Units***") pursuant and subject to the New Academy Holding Company, LLC 2011 Unit Incentive Plan, as may be amended from time to time (the "***Plan***"), and the terms and conditions of the form of Restricted Unit Award Agreement attached hereto as Exhibit A, which Restricted Units shall have an aggregate grant date fair value equal to $4,000,000 based on a price per unit equal to the then-current fair market value per Membership Unit of the Parent, as determined by the Board, and (ii) a number of options to acquire Membership Units of the Parent (the "***Options***") pursuant and subject to the Plan and the terms and conditions of the form of Option Award Agreement attached hereto as Exhibit B, which Options shall have a grant date fair value equal to $3,000,000. Commencing with the Company's 2019 fiscal year and provided that the Executive remains employed by the Company on the applicable grant date, (A) the Executive shall be eligible to receive an annual equity award, in the form of Options or Restricted Units (as determined by the Board (or a committee thereof) in its sole discretion; provided, that the award shall be in the same form as awards made to other senior executives on the same date) having an aggregate grant date fair value equal to $4,000,000, (B) any time-vesting component of such annual equity award will provide for ratable monthly vesting over the applicable vesting period for such award (subject, for any portion of the award that has both time and performance vesting, to any modifications imposed by the applicable performance vesting conditions, such as no vesting occurring prior to the date on which it is determined that the applicable performance conditions have been achieved), (C) if the Executive is terminated by the Company without Cause (as defined below) or resigns for Good Reason (as defined below) prior to the sixth monthly anniversary of the grant date of an annual equity award, that number of shares subject to the time-vesting component of such award (but, for the avoidance of doubt, not any portion of the award that is subject to both time vesting and performance vesting) that would have satisfied the time-vesting component if the Executive's employment had continued through such sixth monthly anniversary shall be deemed to have satisfied such time-vesting component on the date of termination, (D) vesting of equity awards will continue for so long as the Executive remains in the service of the Company Group (whether as an employee or director), and (E) such equity award shall otherwise have the same terms and conditions applicable to equity awards made to other senior executives on the same date, as determined by the Board (or a committee thereof) in its sole discretion.

5. Indemnification; Insurance. The Company and the Parent shall, jointly and severally, indemnify, defend and hold harmless the Executive for all losses, liabilities, payments or expenses incurred or damages paid or payable by the Executive for or related to, any threatened or pending action, suit, claim or proceeding (whether civil, criminal, administrative, investigative or otherwise) by reason of the fact the Executive is or was a member, director, manager, officer, employee or agent of any Company Group or any other person or entity at the request of any Group Company (including settlement amounts). The Executive will be entitled to coverage under any insurance policies the Company Group may elect to maintain generally for the benefit of its officers, directors and managers against all costs, charges and expenses incurred in connection with any action, suit or proceeding to which he may be made a party by reason of being an officer, director or manager of any member of the Company Group.

6. Termination. The Employment Period shall end and this Agreement shall terminate in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 6 and Section 7, as applicable, on the Date of Termination.

(a) *Death.* The Executive's employment hereunder and this Agreement shall terminate upon his death.

(b) *Disability*. The Company may terminate the Executive's employment and this Agreement as a result of the Executive's Disability, provided, that the Company allows the Executive thirty (30) days following Notice of Termination to return to the performance of the essential functions of his position, with or without reasonable accommodation. For purposes of this Agreement, "***Disability"*** means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing the Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of his position, with or without reasonable accommodation (the "***Disability Period***"), the Executive shall continue to receive his Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Section 409A (as defined in Section 10 below), by any payments made to the Executive during the Disability Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause.* The Company may terminate the Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have "***Cause***" to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with his duties or in the course of his employment with the Company Group;

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude;

(iii) the Executive has committed a material breach of any provision of this Agreement; or

(iv) the failure by the Executive to perform any and all covenants contained in (A) Section 2 hereof for any reason other than the Executive's death, Disability or following the Executive's delivery of a Notice of Termination for Good Reason and (B) Section 9 hereof;

provided, that, if reasonably capable of being cured, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii) or (iv) above to remedy any such occurrence otherwise constituting Cause under such clause (iii) or (iv).

(d) *Good Reason.* The Executive may terminate his employment hereunder for Good Reason. "***Good Reason***" for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive:

(i) the assignment to the Executive of any position, authority, duties or responsibilities materially inconsistent with the Executive's position, authority, duties or other responsibilities as contemplated by Section 2 hereof;

(ii) a reduction in the Base Salary and Target Bonus Opportunity, in the aggregate, from the Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the Effective Date; or

(iii) a material breach by the Company or the Parent of any applicable provision of this Agreement;

provided, in any case, that the Company shall have thirty (30) days from the date on which the Company receives the Executive's Notice of Termination for Good Reason to remedy any such occurrence otherwise constituting Good Reason. Notwithstanding any provision of this Agreement to the contrary, the Executive shall not be treated as having terminated his employment for a Good Reason event if he incurs a Separation From Service (as defined in Section 10(b) hereof) more than one year following the initial existence of the particular Good Reason condition or if he has not given the Company written notice of the Good Reason condition within ninety (90) days after the initial existence of the Good Reason condition or if he waives in writing his right to claim Good Reason as a result of the event.

(e) *Without Cause or Good Reason.* Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 7 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days' prior to the Date of Termination if the Executive intends to terminate his employment without Good Reason; and provided, further, that, notwithstanding anything in this Agreement to the contrary, if the Executive's employment is terminated by either the Company or the Executive following the appointment of a successor Chief Executive Officer whose identity has been mutually agreed upon by the Company and the Executive, such termination shall be deemed to be a resignation without Good Reason for purposes of this Agreement.

7. Termination Procedure.

(a) *Notice of Termination.* Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 6(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "***Notice of Termination***" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 6(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) *Date of Termination.* "***Date of Termination***" shall mean the effective date of termination of the Executive's employment for any reason, which shall be (i) if the Executive's employment is terminated pursuant to Section 6(a) hereof, the date of the Executive's death, or (ii) if the Executive's employment is terminated pursuant to Section 6(b) hereof, the later of (A) the date that is thirty (30) days after the Notice of Termination is given and (B) the date that is the end of the one-hundred eighty (180) day period referenced in Section 6(b) hereof; provided, that the Executive shall not have returned to the performance of his duties on a full-time basis during such period, or (iii) if the Executive's employment is terminated pursuant to Section 6(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 12 hereof, or (iv) if the Executive's employment is terminated pursuant to Section 6(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (v) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive's employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive's resignation prior to the expiration of such 30-day notice period, which it may do at any time and still have such constitute a termination by the Executive without Good Reason). The Company may also place the Executive on "garden leave" for all or any portion of such notice period.

8. Compensation Upon Termination or During Disability.

(a) *Accrued Salary, Prior Year Bonus and Accrued Obligation Defined.* For purposes of this Agreement, "***Accrued Salary***" means a lump sum amount in cash equal to the sum of the Base Salary accrued but not paid through the Date of Termination for periods through but not following the Date of Termination, and any accrued vacation pay, in each case to the extent not theretofore paid. For purposes of this Agreement, "***Prior Year Bonus***" means any bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement,

payment of the "***Accrued Obligation***" shall mean payment by the Company or Academy, as applicable, to the Executive (or his designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, the vesting of any equity incentive awards in accordance with the terms of the plans and award agreements evidencing such awards, any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy and any right to indemnification under applicable corporate law, this Agreement, the governing documents of the Company Group or any benefit plan of any member of the Company Group or otherwise.

(b) *Disability; Death.* Following the termination of the Executive's employment pursuant to Section 6(a) or Section 6(b) hereof, the Company shall pay, or cause Academy to pay, to the Executive (or his designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination;

(ii) the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements; and

(iv) a pro rata portion of the Annual Bonus for the partial fiscal year in which the Date of Termination occurs in an amount equal to the product of (x) the Annual Bonus that the Executive would otherwise have been entitled to receive if he had remained employed on the date on which such Annual Bonus is paid (but with the amount of the Annual Bonus payable calculated based solely on the level of achievement of the applicable financial performance metrics for such fiscal year and not on any personal performance goals) and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs (or the Commencement Date if the Date of Termination occurs in the Company's 2018 fiscal year) and the Date of Termination, and the denominator of which is equal to 365, payable in a lump sum payment on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

(c) *By the Company for Cause or by the Executive Without Good Reason.* If, during the Employment Period, the Executive's employment is terminated by the Company for Cause pursuant to Section 6(c) hereof or by the Executive without Good Reason pursuant to Section 6(e) hereof, the Company shall pay, or cause Academy to pay, to the Executive the Accrued Salary within thirty (30) days following the Date of Termination and the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company. Following such payments, the Company Group shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued

Obligation under the terms of an employee benefit plan of the Company Group. The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(d) *By the Company Without Cause or by the Executive for Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company without Cause, other than as a result of the Executive's death or Disability, or if the Executive terminates his employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company shall pay, or cause Academy to pay, the Executive the Accrued Salary;

(ii) The Company shall pay, or cause Academy to pay, the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive continued to be employed by the Company;

(iii) The Company shall pay, or cause Academy to pay, to the Executive a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs (or (I) if the Date of Termination occurs during the Company's 2019 fiscal year, then the Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive for the Company's 2018 fiscal year or (II) if the Date of Termination occurs during the Company's 2018 fiscal year, then the Target Bonus Opportunity). The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the "***Severance Period***") in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the date on which the Release (as defined in Section 8(f) below) becomes irrevocable (the "***Release Effective Date***"); provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(iv) The Company shall pay, or cause Academy to pay, to the Executive an amount equal to the product of (x) the Annual Bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365. Such payment is in lieu of the Annual Bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twelve (12) months following the Date of Termination in accordance with

the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Effective Date; provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(v) The Company shall, pay, or cause Academy to pay, the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive's basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the first payroll date following the Release Effective Date. If applicable, the Executive may, at his option, convert his basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion; and

(vi) The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) *No Right to Specify Year of Payment.* The Executive shall have no right to specify the year in which any payment made under this Section 8 shall be made.

(f) *No Duty to Mitigate; Release.* The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Employment Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 8. Further, except to the extent set forth in Sections 4(b), 4(e), 8(d)(v) and 9(e) hereof, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Notwithstanding anything to the contrary contained herein, payments to the Executive under this Section 8 (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations) are contingent upon (A) the Executive's continued compliance with the provisions of Section 9 hereof and (B) the Executive's execution and delivery, without revocation, of a fully effective release in the form of Exhibit C attached hereto (the "***Release***"), which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the "***Release Period***"). Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 8 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

9. Restrictive Covenants.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as "***Confidential Information***"). For the avoidance of doubt, Confidential Information shall not include information that:

(i) is already in the Executive's possession; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers, employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of his duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 9(a).

The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "***Governmental Entity***") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Executive understands and acknowledges that an individual shall not be held criminally or civilly

liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (A) in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of the law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance is Executive authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product without the prior written consent of the Company's General Counsel.

(b) *Intellectual Property*. If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("***Works***"), either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the Company Group ("***Company Works***"), the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, 17 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the "***Preexisting Works***"), the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining,

protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including, without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information pursuant to Section 9(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twenty-four (24) months following the Date of Termination (the "***Restricted Period***"), the Executive shall not, without the prior written consent of the Company, directly or indirectly, for himself or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and/or outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; The Sports Authority, Inc.; Cabela's Inc.; Bass Pro Shops, Inc.; Gander Mountain Company/Gander Outdoors; Hibbett Sports, Inc.; Big Five Sporting Goods; Champs Sporting Goods; City Sports; Eastbay; Fanatics; Kansas Sampler; Lululemon Athletica; Rally House; REI Co-op; Scheels and Sportsman Warehouse. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and/or outdoor products by such retailer is less than 50% of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and/or outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually.

(d) *Non-Solicitation; No-Hire.* In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to any member of the Company Group upon the Date of Termination, or within six (6) months prior thereto;

(ii) Hire any person who was employed by the Company Group in a salaried position at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) Call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 9(d) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(e) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 9 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 9 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 9 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 8 hereof (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations), in the event that the Executive has violated any provision of Section 9. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 9(a), (b) or (c) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

10. Section 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of his Separation From Service or (ii) the date of his death (such relevant period, the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 10(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company shall pay, or shall cause Academy to pay, the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms "***Separation From Service***" and "***Specified Employee***" shall have the meanings ascribed to those terms in Section 409A, the term "***Section 409A***" means Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1 and 8 hereof and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean Separation From Service.

(d) Payment Period for Reimbursements, In-Kind Benefits and Tax Gross-Up Payments. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the Date of Termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

11. Successors; Binding Agreement.

(a) *Company's Successors.* The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 11(a), the term "Company" shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to him hereunder if he had continued to live or any amount is payable under this Agreement as a result of his death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company;

If to the Company or the Parent:

Academy Managing Co., L.L.C.
1800 North Mason Road
Katy, Texas 77449
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Amendment or Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

14. Dispute Resolution.

(a) **THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.**

(b) **EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.**

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. Miscellaneous. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 5, 8, 9, 10, 11, 12, 14 and 20 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or his beneficiary under Section 8 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon his termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. Entire Agreement; Effectiveness of Agreement. This Agreement, including Exhibits A, B and C attached hereto, sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto.

19. Withholding. The Company or Academy, as applicable, may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company or Academy generally, as applicable.

20. Cooperation. During the Employment Period and at any time thereafter, the Executive agrees to reasonably cooperate (with due regard given to the Executive's other commitments), (a) with the Company in the defense of any legal matter not adverse to the Executive and involving any matter that arose during the Executive's employment with the Company or any other member of the Company Group; and (b) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to the Company or any other member of the Company Group, in each case, relating to the Executive's employment period and not adverse to the Executive. The Company will reimburse the Executive for any reasonable travel and out-of-pocket costs and expenses incurred by the Executive in providing such cooperation

21. Fees. The Company agrees to reimburse Executive for the reasonable attorneys' fees incurred by Executive in connection with the negotiation and execution of this Agreement and any amendment or restatement of this Agreement, in an amount not to exceed $20,000.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(Signatures on next page.)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

ACADEMY MANAGING CO., L.L.C.

By: /s/ William S. Ennis
Name: William S. Ennis
Title: Chief Human Resources Officer

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ William S. Ennis
Name: William S. Ennis
Title: Chief Human Resources Officer

EXECUTIVE

By: /s/ Ken C. Hicks
Name: Ken C. Hicks

EXHIBIT C

FORM OF RELEASE

THIS RELEASE (this "***Release***") is executed as of the date set forth below by Ken C. Hicks (the "***Executive***").

WHEREAS, the Executive is currently employed by Academy Managing Co., L.L.C., a Texas limited liability company (the "***Company***"), pursuant to that certain Employment Agreement by and among the Executive, the Company, and New Academy Holding Company, LLC, a Delaware limited liability company, dated as of July , 2018 (the "***Employment Agreement***"); and

WHEREAS, the Executive's employment with the Company (together, with its subsidiaries and affiliates, the "***Company Group***") will terminate effective as of , 20 .

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the Executive hereby agrees as follows:

The Executive shall be paid or provided severance payments and benefits in accordance with the terms and conditions of Section 8(d) of the Employment Agreement; provided, that no such severance payments and benefits shall be paid or provided if the Executive revokes this Release pursuant to paragraph 9 below.

The Executive hereby irrevocably and unconditionally releases, acquits and forever discharges each member of the Company Group and each equityholder, agent, representative, administrator, trustee, attorney, insurer, fiduciary, director, manager, officer and employee of such member of the Company Group, including their successors and assigns (collectively, "***Releasees***"), from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys' fees) of any nature whatsoever, whether known or unknown, arising out of or relating to the Executive's employment or termination of employment with, the Executive's serving in any capacity in respect of any member of the Company Group, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort, or any legal restrictions on the Company's right to terminate the Executive's employment, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended and the Age Discrimination in Employment Act of 1967, as amended, the Texas Commission on Human Rights Act, Chapter 451 of the Texas Labor Code, the Texas Payday Law, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act of 1990, which the Executive claims to have against any of the Releasees (in each case, except as to indemnification provided by (a) the Employment Agreement with the Company (as amended or superseded from time to time) and/or (b) by the Company's Regulations and any indemnification agreement or arrangement permitted by the laws of the State of Texas and by officers and other liability insurance coverages to the

extent the Executive would have enjoyed such coverages had the Executive remained an officer of the Company). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any state laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the Executive's settlement with the other person.

The exceptions to the foregoing are (i) claims and rights that may arise after the date of execution of this Release, (ii) claims and rights arising or with regard to accrued benefits under any under any employee benefit plan, policy or arrangement maintained by the Company (including, but not limited to the Annual Incentive Plan), (iii) claims and rights arising with respect to severance payments and benefits payable to the Executive under Section 8(d) of the Employment Agreement, (iv) treatment of the Executive's equity awards as provided in the applicable equity plan or award agreement, (v) any existing right to indemnification under applicable corporate law, the Employment Agreement, the by-laws or certificate of incorporation of the Company or its parent entities or Affiliates or any benefit plan of the Company and its Affiliates, or any agreement between the Executive and the Company or its parent entities or Affiliates, (vi) any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of the Company or its parent entities or Affiliates, (vii) any rights or obligations of the Executive under applicable law which cannot be waived or released pursuant to an agreement, (viii) the Executive's rights to enforce this Release, and (ix) the Executive's rights under the provisions of the Employment Agreement that are intended to survive the Executive's termination of employment as expressly stated therein.

The Executive represents and warrants that he has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, the Executive has filed or files such a claim, the Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed.

The Executive understands and agrees that:

1. He has a period of 21 days within which to consider whether he desires to execute this Release, that no one hurried him into executing this Release during that 21-day period, that no one coerced him into executing this Release, and that, if applicable, execution of this Release before the expiration of the 21-day period is voluntary.

2. He has carefully read and fully understands all of the provisions of this Release, and declares that the Release is written in a manner that he fully understands.

3. He is, through this Release, releasing the Releasees from any and all claims he may have against the Releasees, and that this Release constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f).

4. He declares that his agreement to all of the terms set forth in this Release is knowing and is voluntary.

5. He knowingly and voluntarily intends to be legally bound by the terms of this Release.

6. He was advised and hereby is advised in writing to consult with an attorney of his choice concerning the legal effect of this Release prior to executing this Release.

7. He understands that rights or claims that may arise after the date this Release is executed are not waived.

8. He understands that he is waiving his rights or claims under the Age Discrimination in Employment Act in exchange for consideration to which he is not otherwise entitled.

9. He understands that, in connection with the release of any claim arising under the Age Discrimination in Employment Act, he has 7 days following his execution of this Release to revoke his acceptance of this Release, and that he may deliver notification of revocation by letter or facsimile addressed to the General Counsel of the Company, at 1800 North Mason Road, Katy, TX 77449, or (281) 646-5071. He understands that this Release will not become effective and binding with respect to any claim arising under the Age Discrimination in Employment Act, until after the expiration of the period during which he may revoke this Release. The revocation period commences when the Executive executes this Release and ends at 11:59 p.m. on the seventh calendar day after execution, not counting the date on which the Executive executes this Release. The Executive understands that if he does not deliver a notice of revocation within the time period described in this paragraph 9, this Release will become a final, binding and enforceable release of any claim of age discrimination. This right of revocation shall not affect the release of any claim other than a claim of age discrimination arising under federal law.

10. He understands that nothing in this Release shall be construed to prohibit the Executive from filing a charge or complaint, including a challenge to the validity of this Release, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission. Further, he understands that nothing in this Release shall be deemed to limit any Releasee's right to seek immediate dismissal of such charge or complaint on the basis that his signing of this Release constitutes a full release of any individual rights under the federal discrimination laws, or to seek restitution to the extent permitted by applicable law of the payments and benefits provided to him under the Agreement in the event he successfully challenges the validity of this Release and prevails in any claim under the federal discrimination laws.

AGREED AND ACCEPTED, on this day of , .

EXECUTIVE

By: _____

Name: Ken C. Hicks

Exhibit 10.30

EMPLOYMENT AGREEMENT

by and among

ACADEMY MANAGING CO., L.L.C.

NEW ACADEMY HOLDING COMPANY, LLC

and

MICHAEL MULLICAN

Dated: January 6, 2017

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this ***"Agreement"),*** dated as of January 6, 2017 (the ***"Effective Date"),*** is entered into by and among Michael Mullican (the ***"Executive"),*** Academy Managing Co., L.L.C., a Texas limited liability company (the ***"Company"),*** and New Academy Holding Company, LLC, a Delaware limited liability company (the ***"Parent").***

WHEREAS, the Company, sole general partner of Academy, Ltd., a Texas limited partnership ***("Academy"),*** desires to employ the Executive as Executive Vice President, General Counsel of the Company and to encourage the attention and dedication to the Company of the Executive as a member of the Company's management pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Executive desire to set forth in this Agreement the terms and conditions of the Executive's employment with the Company; and

WHEREAS, the Executive acknowledges that (i) the Executive's employment with the Company will provide the Executive with trade secrets of, and confidential information concerning, the Company, the Parent and the entities controlled by, controlling or under common control with the Company or the Parent that conduct Academy's business (such entities, together with the Company and the Parent, collectively, the ***"Company Group"),*** and (ii) the covenants contained in this Agreement are essential to protect the business and goodwill of the Company Group.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment and Term. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. Subject to earlier termination of Executive's employment pursuant to Section 6 hereof, the period of employment of the Executive by the Company hereunder (the ***"Employment Period")*** shall commence on February 20, 2017 (the ***"Commencement Date"),*** and shall end on the first anniversary of the Effective Date; provided that the Employment Period shall be automatically extended for an additional year on each anniversary of the Effective Date unless written Notice of Termination (as defined in Section 7(a) hereof) is given not later than thirty (30) days prior to the end of the Employment Period (including any extension of the Employment Period) by either the Company or the Executive to the other party, that the Company or the Executive, as applicable, has elected not to extend the Employment Period for an additional year, such that, subject to the second proviso in Section 6(e), the Employment Period shall expire, and the Executive's employment with the Company shall terminate, effective as of the last day of the then-current Employment Period.

2. Position and Duties.

(a) As of the Commencement Date, the Executive shall serve as Executive Vice President and General Counsel of the Company, in which capacity the Executive shall perform the usual and customary duties of such offices, which shall be those normally inherent in such

capacities in companies of similar size and character as the Company Group. The Executive shall report to the President and Chief Executive Officer of the Company. The Executive shall, if requested, also serve as an officer or director of any member of the Company Group for no additional compensation. When reasonably requested by the President and Chief Executive Officer, the Executive shall also be required to perform the usual and customary duties of any executive with the title of Executive Vice President with companies of similar size and character as the Company Group, whether or not such duties are within the scope of the Executive's duties on the Commencement Date. The Executive agrees and acknowledges that, in connection with the Executive's employment relationship with the Company, the Executive owes fiduciary duties to the Company Group and will act accordingly.

(b) During the Employment Period, the Executive agrees to devote substantially the Executive's full time, attention and energies to the Company Group's business and agrees to faithfully and diligently endeavor to the best of the Executive's ability to further the best interests of the Company Group. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 9 hereof, this shall not be construed as preventing the Executive from investing the Executive's own assets in such form or manner as will not require the Executive's services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to the covenants of Section 9 hereof, the Executive may serve as a director of other companies, if such service is approved by the Parent's Board of Managers or, if and when applicable, the equivalent ultimate governing authority of the Company Group (the ***"Board"),*** so long as such service is not detrimental to the Company Group, does not interfere with the Executive's service to the Company Group, and does not present the Executive with a conflict of interest.

(c) In keeping with the Executive's fiduciary duties to the Company Group, the Executive agrees that the Executive shall not, directly or indirectly, become involved in any conflict of interest or, upon discovery thereof, allow such a conflict of interest to continue. The Executive agrees that the Executive shall promptly disclose to the Board any facts which might involve any reasonable possibility of a conflict of interest, or be perceived as such.

(d) Circumstances in which a conflict of interest on the part of the Executive would or might arise, and which should be reported immediately by the Executive to the Board, include, but are not limited to, the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the Company Group does business; (ii) misuse of information or facilities to which the Executive has access in a manner which will be detrimental to the Company Group's interest; (iii) disclosure or other misuse of Confidential Information (as defined in Section 9(a) hereof); (iv) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products or services designed, manufactured or marketed by the Company Group; (v) the appropriation to the Executive or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that the Company Group would be interested; (vi) the ownership, directly or indirectly, of a material interest in an enterprise in competition with the Company Group or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with the Company Group; and (vii) if not otherwise listed in this provision, any other circumstances that would create a conflict of interest under the Company's Ethics and Code of Conduct Policy and any successors thereto.

(e) Further, the Executive covenants, warrants and represents that the Executive shall:

(i) devote the Executive's full and best efforts to the fulfillment of the Executive's employment obligations hereunder;

(ii) exercise the highest degree of fiduciary loyalty and care and the highest standards of conduct in the performance of the Executive's duties hereunder; and

(iii) endeavor to prevent any harm, in any way, to the business or reputation of the Company Group.

(f) For purposes of this Section 2, the determination of whether any matter or transaction constitutes a conflict of interest hereunder shall be made solely by the Board in its reasonable discretion; provided, that any matter or transaction that is permitted by or otherwise in compliance with the terms and conditions of all applicable ethics, conflict of interest or similar written policies of the Company Group in effect at the time of such determination shall not be a conflict of interest hereunder. The determination of whether any matter or transaction is permitted by or otherwise in compliance with the terms and conditions of such policies shall be made solely by the Board in its reasonable discretion.

3. Place of Performance. In connection with the Executive's employment by the Company, the Executive's principal business address shall be at the Company's current principal executive offices in Katy, Texas (the ***"Principal Place of Employment").*** The Executive acknowledges that the Executive's duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive's duties and responsibilities hereunder.

4. Compensation and Related Matters.

(a) Base Salary. During the Employment Period, the Company shall pay, or cause Academy to pay, the Executive an annual base salary (the ***"Base Salary")*** in an amount that shall be established from time to time by the Board or a compensation committee thereof, payable in approximately equal installments in accordance with the Company Group's customary payroll practices. The initial Base Salary for fiscal year 2017 shall be $375,000. The Board or a compensation committee thereof shall review the Base Salary at least once annually during the Employment Period. The Base Salary may, at the discretion of the Board or a compensation committee thereof, be increased but not decreased during the Employment Period.

(b) Annual Bonuses. Effective commencing with the Company's 2017 fiscal year, the Executive shall be eligible to participate in an annual cash bonus plan maintained by the Company or Academy, as applicable (the ***"Annual Incentive Plan"),*** during the Employment Period. Except as expressly provided otherwise in this Section 4(b), the annual bonus opportunity afforded the Executive pursuant to this Section 4(b) (the ***"Annual Bonus")*** may vary from year to year and any Annual Bonus earned thereunder shall be paid at a time and in a

manner consistent with the Company's or Academy's, as applicable, customary practices. Effective commencing with the Company's 2017 fiscal year, the Annual Bonus for each fiscal year will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn an annual bonus amount targeted at one hundred percent (100%) of the Base Salary in effect for such fiscal year (the ***"Target Bonus Opportunity"),*** with the actual Annual Bonus payable, if any, being determined based on the achievement of such pre-established performance targets for such fiscal year, with any Annual Bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Annual Incentive Plan. The establishment of performance targets and the determination of the achievement of those targets will in all cases be subject to the determination of the Board or a compensation committee thereof. The Annual Bonus is not an accrued right under this Agreement. Except as specifically provided in Section 8 hereof, the Executive shall not be entitled to a pro rata Annual Bonus upon a termination of employment for any reason.

(c) Expenses. The Company shall (or shall cause Academy to) reimburse the Executive for all reasonable business, entertainment and travel expenses incurred during the Employment Period by the Executive in performing services hereunder, including all travel expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred, accounted for, and reimbursed in accordance with the Company's expense reimbursement policy.

(d) Relocation. In connection with the Executive's relocation of the Executive's primary residence from its current location to the Houston, Texas area, the Company shall provide, or cause Academy to provide, the Executive with the relocation benefits set forth on Appendix A hereto, subject to the Company's receipt of adequate documentation for expenses incurred, as applicable; provided, that if the Executive's employment is terminated either by the Company for Cause or by the Executive without Good Reason, in either case, prior to the first anniversary of the Commencement Date, the Executive shall repay to the Company or Academy (or, if elected by the Company or Academy and to the extent permitted under applicable law, the amount of any compensation or benefits payable to the Executive under this Agreement shall be offset by) a pro-rated portion of the aggregate gross amount paid by the Company or Academy, as applicable, in providing such relocation benefits, calculated based on the number of whole months remaining in such twelve (12)-month period from the Date of Termination, as soon as practicable following such Date of Termination.

(e) Sign-On Bonus. The Company will pay the Executive a sign-on bonus in the total gross amount of $180,000, less all applicable withholdings (the ***"Sign-On Bonus")*** no later than thirty days (30) after the Commencement Date. If the Executive's employment is terminated either by the Company for Cause or by the Executive without Good Reason, in either case, before the Executive completes one (1) year of employment (the ***"Sign-On Bonus Period"),*** the Executive shall be required to repay to the Company as soon as practicable following such Date of Termination (as such term is defined herein), a pro-rated portion of the gross amount of the Sign-On Bonus paid by the Company, calculated based on the number of whole months remaining in such twelve (12) month period from the Date of Termination (as such term is defined in Section 7(b) hereof).

(f) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in all of the employee benefit plans and programs and fringe benefits and perquisites arrangements made available by the Company to its other senior executive officers, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements.

(g) Vacation. During the Employment Period, the Executive shall be entitled to paid vacations and holidays in accordance with the Company's vacation and holiday policies in effect from time to time for the Company's senior executive officers, but in no event shall the Executive be entitled to less than two hundred (200) paid hours of vacation during each fiscal year.

(h) Investment Opportunity. At a time determined by the Board (and subject to the Executive's continued employment at such time), the Executive will be permitted to indirectly invest in the equity of the Parent, through the purchase of Class B Units of Allstar Managers LLC, a Delaware limited liability company **("Allstar Managers")** and member of the Parent, in an amount having an aggregate value to be determined by the Board and the Executive, based on a purchase price per unit equal to the then-current fair market value per Class B Unit of Allstar Managers, as determined by the Board.

(i) Initial Equity Grants. On the same date in the first quarter of the Company's 2017 fiscal year on which options are first granted to other senior executives of the Company (and subject to the Executive's continued employment on such grant date) (the ***"Option Grant Date"),*** the Executive will be granted a number of options to acquire Membership Units of the Parent (the ***"Options")*** pursuant and subject to the New Academy Holding Company, LLC 2011 Unit Incentive Plan, as may be amended from time to time, and the terms and conditions of the form of an Option Award Agreement to be provided by the Company, which Options shall have a grant date fair value equal to $600,000.00. Sixty-six and two-thirds percent ($66^{2}/_{3}\%$) of the Options will be service-based and vest ratably over a period of four years from the Option Grant Date based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. Thirty-three and one-third percent ($33^{1}/_{4}\%$) of the Options will be performance- and service-based and vest ratably over a period of four years from the Option Grant Date (generally) based on the Parent's achievement of the performance goal established by the Compensation Committee of the Board for the first year only and thereafter, if the first-year performance goal was achieved, based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. The Executive's eligibility for equity awards in future fiscal years will be determined by the Board in its sole discretion.

5. Indemnification; Insurance. The Company shall indemnify, defend and hold harmless the Executive to the fullest extent permitted by the laws of the Company's state of organization in effect at that time, or regulations of the Company, whichever affords the greater protection to the Executive, for all losses, liabilities, payments or expenses incurred or damages paid or payable by the Executive for bona fide claims against the Executive or the Company Group (including settlement amounts), where such claims are based upon the actions or failures to act by the Executive in the Executive's capacity as a service provider to the Company Group.

The Executive will be entitled to coverage under any insurance policies the Company Group may elect to maintain generally for the benefit of its officers, directors and managers against all costs, charges and expenses incurred in connection with any action, suit or proceeding to which the Executive may be made a party by reason of being an officer, director or manager of any member of the Company Group.

6. Termination. The Employment Period shall end and this Agreement shall terminate in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 6 and Section 7, as applicable, on the Date of Termination.

(a) *Death.* The Executive's employment hereunder and this Agreement shall terminate upon the Executive's death.

(b) *Disability.* The Company may terminate the Executive's employment and this Agreement as a result of the Executive's Disability, provided, that the Company allows the Executive thirty (30) days following Notice of Termination to return to the performance of the essential functions of the Executive's position, with or without reasonable accommodation. For purposes of this Agreement, ***"Disability"*** means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing the Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of the Executive's position, with or without reasonable accommodation (the ***"Disability Period"),*** the Executive shall continue to receive the Executive's Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Section 409A (as defined in Section 10 below), by any payments made to the Executive during the Disability Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause.* The Company may terminate the Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have ***"Cause"*** to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude;

(iii) the Executive has committed a material breach of any provision of this Agreement; or

(iv) the failure by the Executive to perform any and all covenants contained in (A) Section 2 hereof for any reason other than the Executive's death, Disability or following the Executive's delivery of a Notice of Termination for Good Reason and **(B)** Section 9 hereof;

provided, that, if reasonably capable of being cured, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii) or (iv) above to remedy any such occurrence otherwise constituting Cause under such clause (iii) or (iv). The determination of whether there has been "Cause" for purposes of this Agreement shall be determined by the Board or any committee thereof in its sole discretion.

(d) *Good Reason.* The Executive may terminate the Executive's employment hereunder for Good Reason. ***"Good Reason"*** for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) the assignment to the Executive of any position, authority, duties or other responsibilities materially inconsistent with the Executive's position, authority, duties or other responsibilities as contemplated by Section 2 hereof;

(ii) a reduction in the Base Salary and Target Bonus Opportunity, in the aggregate, from the Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the Effective Date;

(iii) the relocation of the principal place of employment to a location more than thirty-five (35) miles from the Principal Place of Employment, if a move to such other location materially increases the Executive's commute; or

(iv) a material breach by the Company or the Parent of any applicable provision of this Agreement;

provided, in any case, that the Company shall have thirty (30) days from the date on which the Company receives the Executive's Notice of Termination for Good Reason to remedy any such occurrence otherwise constituting Good Reason. Notwithstanding any provision of this Agreement to the contrary, the Executive shall not be treated as having terminated the Executive's employment for a Good Reason event if the Executive incurs a Separation From Service (as defined in Section 10(b) hereof) more than one year following the initial existence of the particular Good Reason condition or if the Executive has not given the Company written notice of the Good Reason condition within ninety (90) days after the initial existence of the Good Reason condition or if the Executive waives in writing the Executive's right to claim Good Reason as a result of the event.

(e) *Without Cause or Good Reason.* Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 7 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days' prior to the Date of Termination if the Executive intends to terminate the Executive's employment without Good Reason; and provided, further, that, notwithstanding anything in this Agreement to the contrary, in the event Executive elects not to extend the Employment Period pursuant to Section 1,

such nonrenewal shall be deemed a termination by Executive of the Executive's employment with the Company without Good Reason effective as of the last day of the then current Employment Period, which shall constitute the Date of Termination for purposes of this Agreement, and provided, further, that, notwithstanding anything in this Agreement to the contrary, in the event the Company elects not to extend the Employment Period pursuant to Section 1, such nonrenewal shall be deemed a termination by the Company of the Executive's employment with the Company without Cause effective as of the last day of the then current Employment Period, which shall constitute the Date of Termination for purposes of this Agreement.

7. Termination Procedure.

(a) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 6(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a ***"Notice of Termination"*** shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 6(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) Date of Termination. ***"Date of Termination"*** shall mean the effective date of termination of the Executive's employment for any reason, which shall be (i) if the Executive's employment is terminated pursuant to Section 6(a) hereof, the date of the Executive's death, or (ii) if the Executive's employment is terminated pursuant to Section 6(b) hereof, the later of (A) the date that is thirty (30) days after the Notice of Termination is given and **(B)** the date that is the end of the one-hundred eighty (180) day period referenced in Section 6(b) hereof; provided, that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such period, or (iii) if the Executive's employment is terminated pursuant to Section 6(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 12 hereof, or (iv) if the Executive's employment is terminated pursuant to Section 6(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (v) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive's employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive's resignation prior to the expiration of such 30-day notice period). The Company may also place the Executive on "garden leave" for all or any portion of such notice period.

8. Compensation Upon Termination or During Disability.

(a) *Accrued Salary, Prior Year Bonus and Accrued Obligation Defined.* For purposes of this Agreement, ***"Accrued Salary"*** means a lump sum amount in cash equal to the

sum of the Base Salary accrued but not paid through the Date of Termination for periods through but not following the Date of Termination, and any accrued vacation pay, in each case to the extent not theretofore paid. For purposes of this Agreement, ***"Prior Year Bonus"*** means any bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement, payment of the ***"Accrued Obligation"*** shall mean payment by the Company or Academy, as applicable, to the Executive (or the Executive's designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, the vesting of any equity incentive awards in accordance with the terms of the plans and award agreements evidencing such awards, any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy and any right to indemnification under applicable corporate law, this Agreement, the governing documents of the Company Group or any benefit plan of any member of the Company Group or otherwise.

(b) *Disability; Death.* Following the termination of the Executive's employment pursuant to Section 6(a) or Section 6(b) hereof, the Company shall pay, or cause Academy to pay, to the Executive (or the Executive's designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination;

(ii) the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements; and

(iv) if such termination occurs after the Company's 2017 fiscal year, a pro rata portion of the Annual Bonus for the partial fiscal year in which the Date of Termination occurs in an amount equal to the product of (x) the Annual Bonus that the Executive would otherwise have been entitled to receive if the Executive had remained employed on the date on which such Annual Bonus is paid (but with the amount of the Annual Bonus payable calculated based solely on the level of achievement of the applicable financial performance metrics for such fiscal year and not on any personal performance goals) and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365, payable in a lump sum payment on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

(c) *By the Company for Cause or by the Executive Without Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company for Cause pursuant to Section 6(c) hereof or by the Executive without Good Reason pursuant to Section 6(e)

hereof, the Company shall pay, or cause Academy to pay, to the Executive the Accrued Salary within thirty (30) days following the Date of Termination and the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company. Following such payments, the Company Group shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued Obligation under the terms of an employee benefit plan of the Company Group. The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(d) *By the Company Without Cause or by the Executive for Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company without Cause (including as a result of the Company's non-extension of the Employment Period pursuant to Section 1), other than as a result of the Executive's death or Disability, or if the Executive terminates the Executive's employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company shall pay, or cause Academy to pay, the Executive the Accrued Salary;

(ii) The Company shall pay, or cause Academy to pay, the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive continued to be employed by the Company;

(iii) The Company shall pay, or cause Academy to pay, to the Executive a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs (or (I) if the Date of Termination occurs during the Company's 2018 fiscal year, then the Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive for the Company's 2017 fiscal year, or (II) if the Date of Termination occurs during the Company's 2017 fiscal year, then the Target Bonus Opportunity). The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the ***"Severance Period")*** in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the date on which the Release (as defined in Section 8(f) below) becomes irrevocable (the ***"Release Effective Date");*** provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(iv) The Company shall pay, or cause Academy to pay, to the Executive an amount equal to the product of (x) the Annual Bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, multiplied by (y) a

fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365. Such payment is in lieu of the Annual Bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twelve (12) months following the Date of Termination in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Effective Date; provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(v) During the Severance Period the Company shall (or shall cause Academy to) arrange to provide the Executive and the Executive's covered dependents medical insurance benefits, contingent on the Executive electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ***("COBRA"),*** no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage (which shall be deemed to be the COBRA cost unless otherwise defined by the U.S. Treasury), and the Company shall pay, or cause Academy to pay, to the Executive each month during the Severance Period an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of the Executive's portion of such premiums as if the Executive was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such Severance Period, commencing with the month immediately following the Date of Termination; provided, that the first such payment shall be made on the Release Effective Date. Notwithstanding the foregoing, the payments provided under this clause (v) shall cease at such time as the Executive commences to receive such benefits from a subsequent employer of the Executive during the Severance Period (and the Executive shall have the obligation to notify the Company that the Executive is receiving such benefits from a subsequent employer);

(vi) The Company shall, pay, or cause Academy to pay, the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive's basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the first payroll date following the Release Effective Date. If applicable, the Executive may, at the Executive's option, convert the Executive's basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion; and

(vii) The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) No Right to Specify Year of Payment. The Executive shall have no right to specify the year in which any payment made under this Section 8 shall be made.

(f) No Duty to Mitigate; Release. The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Employment Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 8. Further, except to the extent set forth in Sections 4(b), 4(g), 8(d)(v) and 9(e) hereof, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Notwithstanding anything to the contrary contained herein, payments to the Executive under this Section 8 (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations) are contingent upon (A) the Executive's continued compliance with the provisions of Section 9 hereof and **(B)** the Executive's execution and delivery, without revocation, of a fully effective release in the form of Exhibit A attached hereto (the ***"Release"),*** which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the ***"Release Period").*** Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 8 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

9. Restrictive Covenants.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as ***"Confidential Information").*** For the avoidance of doubt, Confidential Information shall not include information that:

(i) is already in the Executive's possession; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers,

employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of the Executive's duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 9(a).

The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of the Executive's employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a ***"Governmental Entity")*** with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided, that in each case such communications and disclosures are consistent with applicable law. The Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Notwithstanding the foregoing, under no circumstance is the Executive authorized to disclose any information covered by the Company Group's attorney-client privilege or attorney work product or the Company Group's trade secrets without prior written consent of the Company's CEO & President.

(b) *Intellectual Property.* If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ***("Works"),*** either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the Company Group ***("Company Works"),*** the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to

works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, 17 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the ***"Preexisting Works"),*** the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including, without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information

pursuant to Section 9(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twelve (12) months following the Date of Termination (the ***"Restricted Period"),*** the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company; and Hibbett Sports, Inc. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than 50% of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually.

(d) *Non-Solicitation; No-Hire.* In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to any member of the Company Group upon the Date of Termination, or within six (6) months prior thereto;

(ii) Hire any person who was employed by the Company Group in a salaried position at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) Call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 9(d) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(e) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential

Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 9 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 9 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 9 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 8 hereof (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations), in the event that the Executive has violated any provision of Section 9. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to 'such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 9(a), (b) or (c) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

10. Section 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation From Service or (ii) the date of the Executive's death (such relevant period, the ***"Delay Period").*** Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 10(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the

foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company shall pay, or shall cause Academy to pay, the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms ***"Separation From Service"*** and ***"Specified Employee"*** shall have the meanings ascribed to those terms in Section 409A, the term ***"Section 409A"*** means Section 409A of the Internal Revenue Code of 1986, as amended (the ***"Code"),*** and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1 and 8 hereof and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean Separation From Service.

(d) Payment Period for Reimbursements, In-Kind Benefits and Tax Gross-Up Payments. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the Date of Termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

11. Successors; Binding Agreement.

(a) *Company's Successors.* The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had

taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated the Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 11(a), the term "Company" shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live or any amount is payable under this Agreement as a result of the Executive's death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company;

If to the Company or the Parent:

Academy Managing Co., L.L.C.
1800 North Mason Road
Katy, Texas 77449
Attention: CEO & President

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Amendment or Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

14. Dispute Resolution.

(a) THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.

(b) EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. Miscellaneous. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 5, 8, 9, 10, **11,** 12 and 14 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or the Executive's beneficiary under Section 8 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon the Executive's termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. Entire Agreement; Effectiveness of Agreement. This Agreement, including Appendix A and Appendix **B** attached hereto, sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto.

19. Withholding. The Company or Academy, as applicable, may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company or Academy generally, as applicable.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

21. Fees. The Company agrees to reimburse Executive for the reasonable attorneys' fees incurred by Executive in connection with the negotiation and execution of this Agreement and any amendment or restatement of this Agreement, in an amount not to exceed $10,000.

(Signatures on next page.)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

ACADEMY MANAGING CO., L.L.C.

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

EXECUTIVE

By: /s/ Michael Mullican
Name: Michael Mullican

APPENDIX A

FORM OF RELEASE

THIS RELEASE (this ***"Release")*** is executed as of the date set forth below by Michael Mullican (the ***"Executive").***

WHEREAS, the Executive is currently employed by Academy Managing Co., L.L.C., a Texas limited liability company (the ***"Company"),*** pursuant to that certain Employment Agreement by and among the Executive, the Company, and New Academy Holding Company, LLC, a Delaware limited liability company, dated as of [DATE] (the ***"Employment Agreement");*** and

WHEREAS, the Executive's employment with the Company (together, with its subsidiaries and affiliates, the ***"Company Group")*** will terminate effective as of , 20 .

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the Executive hereby agrees as follows:

The Executive shall be paid or provided severance payments and benefits in accordance with the terms and conditions of Section 8(d) of the Employment Agreement; provided, that no such severance payments and benefits shall be paid or provided if the Executive revokes this Release pursuant to paragraph 9 below.

The Executive hereby irrevocably and unconditionally releases, acquits and forever discharges each member of the Company Group and each equityholder, agent, representative, administrator, trustee, attorney, insurer, fiduciary, director, manager, officer and employee of such member of the Company Group, including their successors and assigns (collectively, ***"Releasees"),*** from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys' fees) of any nature whatsoever, whether known or unknown, arising out of or relating to the Executive's employment or termination of employment with, the Executive's serving in any capacity in respect of, or the Executive's status at any time as a holder of securities of, any member of the Company Group, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort, or any legal restrictions on the Company's right to terminate the Executive's employment, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended and the Age Discrimination in Employment Act of 1967, as amended, the Texas Commission on Human Rights Act, Chapter 451 of the Texas Labor Code, the Texas Payday Law, the. Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act of 1990, which the Executive claims to have against any of the Releasees (in each case, except as to indemnification provided by (a) the Employment Agreement with the Company (as amended or superseded from time to time) and/or (b) by the Company's Regulations and any indemnification agreement or arrangement permitted by the laws of the

State of Texas and by officers and other liability insurance coverages to the extent the Executive would have enjoyed such coverages had the Executive remained an officer of the Company). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any state laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in the Executive's favor at the time of executing the release which, if known by the Executive, must have materially affected the Executive's settlement with the other person.

The exceptions to the foregoing are (i) claims and rights that may arise after the date of execution of this Release, (ii) claims and rights arising or with regard to accrued benefits under any under any employee benefit plan, policy or arrangement maintained by the Company (including, but not limited to the Annual Incentive Plan), (iii) claims and rights arising with respect to severance payments and benefits payable to the Executive under Section 8(d) of the Employment Agreement, (iv) treatment of the Executive's equity awards as provided in the applicable equity plan or award agreement, (v) any existing right to indemnification under applicable corporate law, the Employment Agreement, the by-laws or certificate of incorporation of the Company or its parent entities or Affiliates or any benefit plan of the Company and its Affiliates, or any agreement between the Executive and the Company or its parent entities or Affiliates, (vi) any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of the Company or its parent entities or Affiliates, (vii) any rights or obligations of the Executive under applicable law which cannot be waived or released pursuant to an agreement, (viii) the Executive's rights to enforce this Release, and (ix) the Executive's rights under the provisions of the Employment Agreement that are intended to survive the Executive's termination of employment as expressly stated therein.

The Executive represents and warrants that the Executive has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, the Executive has filed or files such a claim, the Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed.

The Executive understands and agrees that:

1. The Executive has a period of 21 days within which to consider whether the Executive desires to execute this Release, that no one hurried the Executive into executing this Release during that 21-day period, that no one coerced the Executive into executing this Release, and that, if applicable, execution of this Release before the expiration of the 21-day period is voluntary.
2. The Executive has carefully read and fully understands all of the provisions of this Release, and declares that the Release is written in a manner that the Executive fully understands.
3. The Executive is, through this Release, releasing the Releasees from any and all claims the Executive may have against the Releasees, and that this Release

constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f).

4. The Executive declares that the Executive's agreement to all of the terms set forth in this Release is knowing and is voluntary.

5. The Executive knowingly and voluntarily intends to be legally bound by the terms of this Release.

6. The Executive was advised and hereby is advised in writing to consult with an attorney of his choice concerning the legal effect of this Release prior to executing this Release.

7. The Executive understands that rights or claims that may arise after the date this Release is executed are not waived.

8. The Executive understands that the Executive is waiving his rights or claims under the Age Discrimination in Employment Act in exchange for consideration to which he is not otherwise entitled.

9. The Executive understands that, in connection with the release of any claim arising under the Age Discrimination in Employment Act, the Executive has 7 days following the Executive's execution of this Release to revoke the Executive's acceptance of this Release, and that he may deliver notification of revocation by letter or facsimile addressed to the CEO & President of the Company, at 1800 North Mason Road, Katy, TX 77449, or (281) 646-5850. The Executive understands that this Release will not become effective and binding with respect to any claim arising under the Age Discrimination in Employment Act, until after the expiration of the period during which the Executive may revoke this Release. The revocation period commences when the Executive executes this Release and ends at 11:59 p.m. on the seventh calendar day after execution, not counting the date on which the Executive executes this Release. The Executive understands that if the Executive does not deliver a notice of revocation within the time period described in this paragraph 9, this Release will become a final, binding and enforceable release of any claim of age discrimination. This right of revocation shall not affect the release of any claim other than a claim of age discrimination arising under federal law.

10. The Executive understands that nothing in this Release shall be construed to prohibit the Executive from filing a charge or complaint, including a challenge to the validity of this Release, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission. Further, the Executive understands that nothing in this Release shall be deemed to limit any Releasee's right to seek immediate dismissal of such charge or complaint on the basis that the Executive's signing of this Release constitutes a full release of any individual rights under the

federal discrimination laws, or to seek restitution to the extent permitted by applicable law of the payments and benefits provided to the Executive under the Agreement in the event the Executive successfully challenges the validity of this Release and prevails in any claim under the federal discrimination laws.

AGREED AND ACCEPTED, on this day of

EXECUTIVE

By: _____

Name: Michael Mullican

Appendix B

Relocation Benefits

The Company shall provide, or cause Academy to provide, the Executive with the following relocation benefits pursuant to the terms and conditions set forth in Section 4(d) of the Employment Agreement:

1. A relocation allowance of $50,000 (gross), payable no later than the Company's first regular payroll date following the Commencement Date;
2. Reimbursement by the Company for reasonable travel and lodging expenses incurred for one (1), three-day, two-night house-hunting trip to the Houston area for the Executive and a guest, to be reserved by the Company's relocation department.
3. Company-paid temporary housing for up to 90 days, as needed, including per diem;
4. Company-paid professional moving service by an Academy designated move partner (including coverage for all standard household goods, two (2) vehicles and packing and unpacking);
5. Storage of standard household goods for the duration of, the period of temporary housing used (if needed)
6. Reimbursement by the Company for reasonable travel and lodging expenses incurred for one (1), two-day, one-night house-sale closing trip for former residence for the Executive only, to be reserved by the Company's relocation department.
7. Payment by the Company of 6% of the sales price of the Executive's existing primary residence for realtor fees and up to $3,500 in customary closing costs for the sale of the Executive's existing primary residence;
8. One **(1)** full family one-way final trip from Pittsburgh, Pennsylvania to Houston Texas;
9. Up to five (5) days off with pay for relocation related needs (up to 8 hours per day).

AMENDMENT AGREEMENT

This Amendment Agreement (the ***"Amendment")*** is made as of December 21, 2017 by Michael P. Mullican ***("Executive"),*** Academy Managing Co., L.L.C. (the ***"Company"),*** and New Academy Holding Company, LLC (the ***"Parent").*** Capitalized terms used but not defined herein shall the meanings ascribed to such terms in that certain Employment Agreement by and between the Company, the Parent, and Executive, dated as of January 6, 2017 (the ***"Employment Agreement").***

WHEREAS, the Company desires to promote and retain Executive as Executive Vice President —Chief Financial Officer of the Company; and

WHEREAS, Executive, the Company, the Parent wish to confirm their agreement with respect to the foregoing by executing this Amendment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company, the Parent and Executive, intending to legally be bound, agree as follows:

Section 1. Amendments.

(a) Section 2(a) of the Employment Agreement is hereby amended by adding the following sentence immediately after the first sentence therein:

"As of December 3, 2017 and thereafter, the Executive shall (i) serve as Executive Vice President and Chief Financial Officer of the Company, in which capacity the Executive shall perform the usual and customary duties of such offices, which shall be those normally inherent in such capacities in companies of similar size and character as the Company Group, and (ii) no longer serve as General Counsel of the Company."

(b) Section 4(a) of the Employment Agreement is hereby amended by adding the following sentence immediately after the second sentence therein:

"The Base Salary as of December 3, 2017 and thereafter shall be $475,000.00."

(c) Section 4(b) of the Employment Agreement is hereby amended by adding the following sentence at the end of the subsection:

"For the Company's 2017 fiscal year, Executive's Annual Bonus (if any) shall be calculated based on Executive's Base Salary as of December 1, 2017."

(d) Section 4 of the Employment Agreement is hereby amended by adding the following subsection as a new Section 4(j) of the Employment:

"(j) 2018 Equity Grants. On the same date in the first quarter of the Company's 2018 fiscal year on which options are first granted to other senior executives of the Company (and subject to the Executive's continued employment on such grant date) (the ***"Option Grant Date"),*** the Executive will be granted a number of options to acquire Membership Units of the Parent (the ***"Options")*** pursuant and subject to the New Academy Holding Company, LLC 2011 Unit Incentive Plan, as may be amended from time to time, and the terms and conditions of the form of an Option Award Agreement to be provided by the Company, which Options

shall have a grant date fair value to be determined by the Board at a later date. Sixty-six and two-thirds percent (66$^{2}/_{3}$%) of the Options will be service-based and vest ratably over a period of four years from the Option Grant Date based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. Thirty-three and one-third percent (33'/3%) of the Options will be performance- and service-based and vest ratably over a period of four years from the Option Grant Date (generally) based on the Parent's achievement of the performance goal established by the Compensation Committee of the Board for the first year only and thereafter, if the first-year performance goal was achieved, based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. The Executive's eligibility for equity awards in future fiscal years will be determined by the Board in its sole discretion."

(e) Section 9(c) of the Employment Agreement is hereby amended and restated by deleting all of the language therein and replacing it with the following:

"(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information pursuant to Section 9(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twenty-four (24) months following the Date of Termination **(the *"Restricted Period"),*** the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company; and Hibbett Sports, Inc. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than 50% of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually."

Section 2. Acknowledgment. Executive acknowledges and agrees that Executive hereby waives any right or claim that the modification of Section 2(a) of the Employment Agreement as described and provided in this Amendment constituted or constitutes an event giving rise to Good Reason under the Employment Agreement or any other agreement referenced therein.

Section 3. Headings. The headings of the sections of this Amendment are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Amendment or the intent of any section.

Section 4. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas, applicable to contracts executed in and to be performed entirely within that State.

Section 5. Entire Agreement. Except as expressly amended hereby, the terms and conditions of the Employment Agreement shall continue in full force and effect.

Section 6. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together constitute one and the same instrument.

(Remainder of page intentionally left blank. Signature page follows.)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

EXECUTIVE

By: /s/ Michael Mullican
Name: Michael Mullican

COMPANY:

ACADEMY MANAGING CO., L.L.C.

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

PARENT:

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

Signature page to Amendment Agreement

Exhibit 10.31

EXECUTIVE EMPLOYMENT AGREEMENT

by and among

ACADEMY MANAGING CO., L.L.C.,

NEW ACADEMY HOLDING COMPANY, LLC,

and

Steve Lawrence

Dated: 1/29/2019

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this ***"Agreement"),*** dated as of January 29, 2019, is entered into by and among Steve Lawrence (the ***"Executive"),*** Academy Managing Co., L.L.C., a Texas limited liability company (the ***"Company"),*** and New Academy Holding Company, LLC, a Delaware limited liability company (the ***"Parent").***

WHEREAS, the Company is the sole general partner of Academy, Ltd., a Texas limited partnership ***("Academy");*** and

WHEREAS, the Company desires to employ the Executive as Executive Vice President and Chief Merchandising Officer of the Company and to encourage the attention and dedication to the Company Group (as such term is defined below) of the Executive as a member of the Company's management pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive acknowledges that (i) the Executive's employment with the Company will provide the Executive with trade secrets of, and confidential information concerning, the Company, the Parent and the entities controlled by, controlling or under common control with the Company or the Parent that conduct Academy's business (such entities, together with Academy, the Company and the Parent, collectively, the ***"Company Group"),*** and (ii) the covenants contained in this Agreement are essential to protect the business and goodwill of the Company Group.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment and Term. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. The period of employment of the Executive by the Company hereunder (the ***"Employment Period")*** commenced or shall commence on February 11, 2019 (the ***"Commencetnent Date"),*** and shall end when terminated by either the Company or the Executive in accordance with Section 6 hereof.

2. Position and Duties.

(a) As of the Commencement Date, the Executive shall serve as Executive Vice President and Chief Merchandising Officer for the Company, in which capacity the Executive shall perform the usual and customary duties of such office, which shall be those normally inherent in such capacity in companies of similar size and character as the Company Group. The Executive shall report to the Chairman, President, and Chief Executive Officer of the Company. The Executive shall, if requested, also serve as an officer or director of any member of the Company Group for no additional compensation. When reasonably requested by the Chairman, President, and Chief Executive Officer, the Executive shall also be required to perform the usual and customary duties of any executive with the title of Executive Vice President with companies of similar size and character as the Company Group, whether or not such duties arc within the scope of the Executive's duties on the Commencement Date.

(b) During the Employment Period, the Executive agrees to devote substantially Executive's full time, attention and energies to the Company Group's business and agrees to faithfully and diligently endeavor to the best of Executive's ability to further the best interests of the Company Group. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 9 hereof, this shall not be construed as preventing the Executive from investing Executive's own assets in such form or manner as will not require Executive's services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to the covenants of Section 9 hereof, the Executive may serve as a director of other companies, if such service is approved by the Parent's Board of Managers or, if and when applicable, the equivalent ultimate governing authority of the Company Group (the ***"Board"),*** so long as such service is not detrimental to the Company Group, does not interfere with the Executive's service to the Company Group, and does not present the Executive with a conflict of interest.

(c) The Executive agrees and acknowledges that, in connection with the Executive's employment relationship with the Company, the Executive owes fiduciary duties to the Company Group and will act accordingly. In keeping with the Executive's fiduciary duties to the Company Group, the Executive agrees that the Executive shall not, directly or indirectly, become involved in any conflict of interest, or upon discovery thereof, allow such a conflict to continue. Moreover, the Executive agrees that the Executive shall promptly disclose to the Board any facts which might involve any reasonable possibility of a conflict of interest, or be perceived as such.

(d) Circumstances in which a conflict of interest on the part of the Executive would or might arise, and which should be reported immediately by the Executive to the Board, include, but are not limited to, the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the Company Group does business; (ii) misuse of information or facilities to which the Executive has access in a manner which will be detrimental to the Company Group's interest; (iii) disclosure or other misuse of Confidential Information (as defined in Section 9(a) hereof); (iv) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products or services designed, manufactured or marketed by the Company Group; (v) the appropriation to the Executive or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that the Company Group would be interested; (vi) the ownership, directly or indirectly, of a material interest in an enterprise in competition with the Company Group or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with the Company Group; and (vii) if not otherwise listed in this provision, any other circumstances that would create a conflict of interest under the Company's Ethics and Code of Conduct Policy and any successors thereto.

(e) Further, the Executive covenants, warrants and represents that the Executive shall:

(i) devote the Executive's full and best efforts to the fulfillment of the Executive's employment obligations hereunder;

(ii) exercise the highest degree of fiduciary loyalty and care and the highest standards of conduct in the performance of the Executive's duties hereunder; and

(iii) endeavor to prevent any harm, in any way, to the business or reputation of the Company Group.

(f) For purposes of this Section 2, the determination of whether any matter or transaction constitutes a conflict of interest hereunder shall be made solely by the Board in its reasonable, good faith discretion; provided that any matter or transaction that is permitted by or otherwise in compliance with the terms and conditions of all applicable ethics, conflict of interest or similar written policies of the Company Group in effect at the time of such determination shall not be a conflict of interest hereunder. The determination of whether any matter or transaction is permitted by or otherwise in compliance with the terms and conditions of such policies shall be made solely by the Board in its reasonable, good faith discretion.

3. Place of Performance. In connection with the Executive's employment by the Company, the Executive's principal business address shall be at the Company's current principal executive offices in Katy, Texas (the *"Principal Place of Employment").* The Executive acknowledges that the Executive's duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive's duties and responsibilities hereunder.

4. Compensation and Related Matters.

(a) *Base Salaiy.* During the Employment Period, the Company shall pay, or cause Academy to pay, the Executive an annual base salary (the *"Base Salary")* in an amount that shall be established from time to time by the Board or a compensation committee thereof, payable in approximately equal installments in accordance with the Company Group's customary payroll practices. The Base Salary for fiscal year 2019 shall be $685,000.00 (prorated for 2019 from the Commencement Date). The Board or a compensation committee thereof shall review the Executive's Base Salary at least once annually during the Employment Period. The Executive's Base Salary may, at the discretion of the Board or a compensation committee thereof, be increased but not decreased during the Employment Period.

(b) *Bonuses.* During the Employment Period and commencing with the Company's 2019 fiscal year, the Executive shall be eligible to participate in an annual cash bonus plan maintained by the Company or Academy, as applicable (the *"Annual Incentive Plan").* Except as expressly provided otherwise in this Section 4(b), the annual bonus opportunity afforded the Executive pursuant to this Section 4(b) (the *"Annual Bonus")* may vary from year to year and any Annual Bonus earned thereunder shall be paid at a time and in a manner consistent with the Company's or Academy's, as applicable, customary practices. During the Employment Period and commencing with the Company's 2019 fiscal year, the Annual Bonus for each fiscal year will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn an annual bonus amount targeted at one

hundred and twenty percent (120%) of the Base Salary in effect for such fiscal year (the *"**Target Bonus Opportunity**"),* with the actual Annual Bonus payable, if any, being determined based on the achievement of such pre-established performance targets for such fiscal year, with any Annual Bonus earned thereunder to he paid in the immediately following fiscal year in accordance with the Annual Incentive Plan. The establishment of performance targets and the determination of the achievement of those targets will in all cases be subject to the determination of the Board or a compensation committee thereof. The Annual Bonus is not an accrued right under this Agreement. Except as specifically provided in Section 8 hereof, the Executive shall not be entitled to a pro rata Annual Bonus upon a termination of employment for any reason.

(c) Expenses. The Company shall (or shall cause Academy to) reimburse the Executive for all reasonable business, entertainment, and travel expenses incurred during the Employment Period by the Executive in performing services hereunder in accordance with the Company's or Academy's, as applicable, expense reimbursement policy, including all travel expenses while away from the Principal Place of Employment on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the Company's expense reimbursement policy.

(d) Sign-On Bonus. The Company will pay the Executive a sign-on bonus in the total gross amount of $200,000.00, less all applicable withholdings (the *"**Sign-On Bonus**")* no later than thirty days (30) after the Commencement Date. If the Executive's employment is terminated either by the Company for Cause or by the Executive without Good Reason, in either case, before the Executive completes one (1) year of employment *(*the *"**Sign-On Bonus Period**"),* the Executive shall be required to repay to the Company as soon as practicable following such Date of Termination (as such term is defined in Section 7(b) hereof), a pro-rated portion of the gross amount of the Sign-On Bonus paid by the Company, calculated based on the number of whole months remaining in such twelve (12) month period from the Date of Termination.

(e) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in all of the employee benefit plans and programs and fringe benefits and perquisites arrangements made available by the Company to its other senior executive officers, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements.

Paid Time Off During the Employment Period, the Executive shall be entitled to paid time off *("**PTO**")* and holidays in accordance with the Company's PTO and holiday policies in effect from time to time for the Company's senior executive officers, but in no event shall the Executive be entitled to less than two hundred forty-eight (248) paid hours of PTO during each fiscal year (prorated for 2019 from the Commencement Date).

(g) Investment Opportunity. At a time determined by the Board (and subject to the Executive's continued employment at such time), the Executive will be permitted to indirectly invest in the equity of the Parent, through the purchase of Class B Units of Allstar Managers LLC, a Delaware limited liability company *("**Allstar Managers**")* and member of the Parent, in

an amount having an aggregate value to be determined by the Board and the Executive, based on a purchase price per unit equal to the then-current fair market value per Class B Unit of Allstar Managers, as determined by the Board.

(h) *Equity Grants.* On the same date in the first quarter of the Company's 2019 fiscal year on which equity incentive awards are first granted to other senior executives of the Company (the ***"Grant Date")*** and subject to the Board's approval and the Executive's continued employment on the Grant Date, the Executive will be granted:

(i) A number of options to acquire Membership Units of the Parent (the ***"Annual Options")*** pursuant and subject to the terms and conditions of the New Academy Holding Company, LLC 2011 Unit Incentive Plan, as may be amended from time to time (the ***"Plan"),*** and the form of Option Award Agreement to be provided by the Company, which Annual Options shall have an approximate aggregate grant date fair value equal to $1,250,000.00.

(ii) A number of options to acquire Membership Units of the Parent (the ***"One-Time Options")*** pursuant and subject to the terms and conditions of the Plan and the form of Option Award Agreement to be provided by the Company, which One-Time Options shall have an approximate aggregate grant date fair value equal to $750,000.00. The One-Time Options will be vest ratably over a period of four years from the Grant Date based solely on the Executive's continued employment, subject to and in accordance with the terms and conditions of such Option Award Agreement to be provided by the Company.

(iii) Restricted Membership Units of the Parent (the ***"One-Time Restricted Units")*** pursuant and subject to the terms and conditions of the Plan and the form of Restricted Unit Award Agreement to be provided by the Company, which One-Time Restricted Units shall have an approximate aggregate grant date fair value equal to $750,000.00. Settlement of the One-Time Restricted Units will be conditioned on satisfaction of two vesting requirements before the applicable expiration date set forth in such Restricted Unit Award Agreement: (A) a time- and service-based requirement (the ***"Time and Service Based Requirement")*** and (B) a liquidity event requirement (the ***"Liquidity Event Requirement")*** and further subject to the terms and conditions of such Restricted Unit Award Agreement to be provided by the Company. Provided that the Executive is in continuous employment on each applicable vesting date, the Time and Service Based Requirement will be satisfied ratably over a period of four years from the Grant Date (twenty-five percent (25%) each year), subject to and in accordance with the terms and conditions of such Restricted Unit Award Agreement to be provided by the Company. The Liquidity Event Requirement will be satisfied on the earliest to occur. within five (5) years of the Grant Date, of an initial public offering, and a change of control, subject to and in accordance with the terms and conditions of such Restricted Unit Award Agreement to be provided by the Company.

The Executive's eligibility for equity awards in future fiscal years will be determined by the Board in its sole discretion.

5. Indemnification: Insurance. The Company shall indemnify, defend and hold harmless the Executive to the fullest extent permitted by the laws of the Company's state of organization in effect at that time, or regulations of the Company, whichever affords the greater protection to the Executive, for all losses, liabilities, payments or expenses incurred or damages paid or payable by the Executive for bona fide claims against the Executive or the Company Group (including settlement amounts), where such claims are based upon the actions or failures to act by the Executive in the Executive's capacity as a service provider to the Company Group. The Executive will be entitled to coverage under any insurance policies the Company Group may elect to maintain generally for the benefit of its officers, directors and managers against all costs, charges and expenses incurred in connection with any action, suit or proceeding to which the Executive may be made a party by reason of being an officer, director or manager of any member of the Company Group.

6. Termination. The Employment Period shall end and this Agreement shall terminate in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 6 and Section 7, as applicable, on the Date of Termination.

(a) *Death.* The Executive's employment hereunder and this Agreement shallterminate upon the Executive's death.

(b) *Disability.* The Company may terminate the Executive's employment and this Agreement as a result of the Executive's Disability (as defined below), provided that the Company allows the Executive thirty (30) days following Notice of Termination (as defined in Section 7(a) hereof) to return to the performance of the essential functions of the Executive's position, with or without reasonable accommodation. For purposes of this Agreement,*"Disability"* means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of the Executive's position, with or without reasonable accommodation (the *"Disability Period"),* the Executive shall continue to receive the Executive's Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Section 409A (as defined in Section 10 below), by any payments made to the Executive during the Disability' Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause.* The Company may terminate *the* Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have *"Cause"* to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude;

(iii) the Executive has committed a material breach of any provision of this Agreement;

(iv) the failure by the Executive to perform any and all covenants contained in (A) Section 2 hereof for any reason other than the Executive's death, Disability or following the Executive's delivery of a Notice of Termination for Good Reason, or (B) Section 9 hereof; or

(v) a material breach by the Executive of the Confidentiality Agreement (as defined in Section 18);

provided, that, if reasonably capable of being cured, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii) or (iv) above to remedy any such occurrence otherwise constituting Cause under such clause (iii) or (iv). The determination of whether there has been "Cause" for purposes of this Agreement shall be determined by the Board or any committee thereof in its sole discretion.

(d) *Good Reason.* The Executive may terminate the Executive's employment hereunder for Good Reason. *"**Good Reason**"* for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) a reduction in the Base Salary and Target Bonus Opportunity, in the aggregate, from the Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the Commencement Date;

(ii) the relocation of the principal place of employment to a location more than fifty (50) miles from the Principal Place of Employment, if a move to such other location materially increases the Executive's commute; or

(iii) a material breach by the Company or the Parent of any applicable provision of this Agreement;

provided, in any case, that the Company shall have thirty (30) days from the date on which the Company receives the Executive's Notice of Termination for Good Reason to remedy any such occurrence otherwise constituting Good Reason. Notwithstanding any provision of this Agreement to the contrary, the Executive shall not be treated as having terminated the Executive's employment for a Good Reason event if the Executive incurs a Separation From Service (as defined in Section 10(b) hereof) more than six (6) months following the initial existence of the particular Good Reason condition or if the Executive has not given the Company written notice of the Good Reason condition within ninety (90) days after the initial existence of the Good Reason condition or if the Executive waives in writing the Executive's right to claim Good Reason as a result of the event.

(e) *Without Cause or Good Reason.* Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 7 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days prior to the Date of Termination if the Executive intends to terminate the Executive's employment without Good Reason.

7. Termination Procedure.

(a) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 6(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a ***"Notice of Termination"*** shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 6(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event or events that the Executive believes constitutes or constitute an event of Good Reason).

(b) Date of Termination. ***"Date of Termination"*** shall mean the effective date of termination of the Executive's employment for any reason, which shall be (i) if the Executive's employment is terminated pursuant to Section 6(a) hereof, the date of the Executive's death, or (ii) if the Executive's employment is terminated pursuant to Section 6(b) hereof, the later of (A) the date that is thirty (30) days after the Notice of Termination is given and (B) the date that is the end of the one-hundred eighty (180) day period referenced in Section 6(b) hereof; provided, that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such period, or (iii) if the Executive's employment is terminated pursuant to Section 6(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 12 hereof, or (iv) if the Executive's employment is terminated pursuant to Section 6(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (v) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive's employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive's resignation prior to the expiration of such 30-day notice period). The Company may also place the Executive on "garden leave" for all or any portion of such notice period.

8. Compensation Upon Termination or During Disability.

(a) Accrued Salary, Prior Year Bonus and Accrued Obligation Defined. For purposes of this Agreement, ***"Accrued Salary"*** means a lump sum amount in cash equal to the Base Salary accrued but not paid through the Date of Termination for periods through but not following the Date of Termination, to the extent not theretofore paid. For purposes of this

Agreement, *"**Prior Year Bonus**"* means any bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement, payment of the *"**Accrued Obligation**"* shall mean payment by the Company or Academy, as applicable, to the Executive (or the Executive's designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, the vesting of any equity incentive awards in accordance with the terms of the plans and award agreements evidencing such awards, any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy and any right to indemnification under applicable corporate law, this Agreement, the governing documents of the Company Group or any benefit plan of any member of the Company Group or otherwise.

(b) *Disability; Death.* Following the termination of the Executive's employment pursuant to Section 6(a) or Section 6(b) hereof, the Company shall pay, or cause Academy to pay, to the Executive (or the Executive's designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination;

(ii) the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to he employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements; and

(iv) a pro rata portion of the Annual Bonus for the partial fiscal year in which the Date of Termination occurs in an amount equal to the product of (x) the Annual Bonus that the Executive would otherwise have been entitled to receive if the Executive had remained employed on the date on which such Annual Bonus is paid (but with the amount of the Annual Bonus payable calculated based solely on the level of achievement of the applicable financial performance metrics for such fiscal year and not on any personal performance goals) and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs (or the Commencement Date if the Date of Termination occurs in the Company's 2019 fiscal year) and the Date of Termination, and the denominator of which is equal to 365, payable in a lump sum payment on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

(c) *By the Company* * *Cause or by the Executive Without Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company for Cause pursuant to Section 6(c) hereof or by the Executive without Good Reason pursuant to Section 6(e) hereof, the Company shall pay, or cause Academy to pay, to the Executive the Accrued Salary within thirty (30) days following the Date of Termination and the Prior Year Bonus, if

any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company. Following such payments, the Company Group shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued Obligation under the terms of an employee benefit plan of the Company Group. The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(d) *By the Company Without Cause or by the Executive for Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company without Cause, other than as a result of the Executive's death or Disability, or if the Executive terminates the Executive's employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company shall pay, or cause Academy to pay, the Executive the Accrued Salary;

(ii) The Company shall pay, or cause Academy to pay, the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive continued to be employed by the Company;

(iii) The Company shall pay, or cause Academy to pay, to the Executive a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the *"**Severance Period**")* in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the date on which the Release (as defined in Section 8(f) below) becomes irrevocable (the *"**Release Effective Date**");* provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(iv) The Company shall pay, or cause Academy to pay, to the Executive an amount equal to the product of (x) the Annual Bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, multiplied by (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365. Such payment is in lieu of the Annual Bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twelve (12) months following the Date of Termination in accordance with

the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Effective Date; provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(v) During the Severance Period, the Company shall (or shall cause Academy to) arrange to provide the Executive and the Executive's covered dependents medical insurance benefits, contingent on the Executive electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended *("**COBRA**"),* no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage (which shall be deemed to be the COBRA cost unless otherwise defined by the U.S. Treasury), and the Company shall pay, or cause Academy to pay, to the Executive each month during the Severance Period an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of the Executive's portion of such premiums as if the Executive was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such Severance Period, commencing with the month immediately following the Date of Termination; provided, that the first such payment shall be made on the Release Effective Date. Notwithstanding the foregoing, the payments provided under this clause (v) shall cease at such time as the Executive becomes eligible to receive such benefits from a subsequent employer of the Executive during the Severance Period (and the Executive shall have the obligation to notify the Company that the Executive is eligible to receive such benefits from a subsequent employer);

(vi) The Company shall, pay, or cause Academy to pay, the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive's basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the first payroll date following the Release Effective Date. If applicable, the Executive may, at the Executive's option, convert the Executive's basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion; and

(vii) The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) *No Right to Specify Year of Payment.* The Executive shall have no right to specify the year in which any payment made under this Section 8 shall be made.

No Duty to Mitigate; Release. The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Employment Period, the

Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 8. Further, except to the extent set forth in Sections 4(b), 4(e), 8(d)(v) and 9(e) hereof, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Notwithstanding anything to the contrary contained herein, payments to the Executive under this Section 8 (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations) are contingent upon (A) the Executive's continued compliance with the provisions of Section 9 hereof and (B) the Executive's execution and delivery, without revocation, of a fully effective release in the form of Exhibit A attached hereto (the *"**Release**"),* which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the *"**Release Period**").* Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 8 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

9. Restrictive Covenants.

(a) Confidential information. The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as *"**Confidential Information**").* For the avoidance of doubt, Confidential Information shall not include information that:

(i) was already in the Executive's possession before the Commencement Date; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers, employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of the Executive's duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 9(a).

The Executive agrees to return or destroy (as determined by the Company) all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of the Executive's employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a ***"Governmental Entity"***) with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided, that in each case such communications and disclosures are consistent with applicable law. The Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Executive further understands that as provided by the Federal Defend Trade Secrets Act, Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a Governmental Entity, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance is Executive authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product without the prior written consent of the Company's General Counsel.

(b) *Intellectual Property.* If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) *("Works"),* either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the Company Group *("Company Works"),* the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such

rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, 17 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the *"**Preexisting Works**"),* the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of; and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of *all* Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including, without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) Non-Competition. In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information pursuant to Section 9(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twenty-four (24) months following the Date of Termination (the *"**Restricted Period**"),* the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and/or outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc., The Sports Authority, Inc.; Cabela's Inc.; Bass Pro Shops, Inc.; Gander Mountain Company/Gander Outdoors; Hibbett Sports, Inc; Big Five Sporting Goods, Champs Sporting Goods, City Sports, Eastbay, Fanatics, Kansas Sampler, Lululemon Athletica, Rally House, REI Co-op, Scheels and Sportsmans Warehouse. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and/or outdoor products by such retailer is less than 50% of such retailer's total sales; or (ii) any business engaged primarily in the retail sale of sporting goods and/or outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually.

(d) Non-Solicitation; No-Hire. In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to any member of the Company Group upon the Date of Termination, or within six (6) months prior thereto;

(ii) Hire any person who was employed by the Company Group in a salaried position at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) Call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 9(d) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(e) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 9 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 9 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 9 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 8 hereof (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations), in the event that the Executive has violated any provision of Section 9. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 9(a), (b), (c) or (d) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

10. Section 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation From Service or (ii) the date

of the Executive's death (such relevant period, the *"Delay Period")*. Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 10(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company shall pay, or shall cause Academy to pay, the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms *"**Separation From Service**"* and *"**Specified Employee**"* shall have the meanings ascribed to those terms in Section 409A, the term *"**Section 409A**"* means Section 409A of the Internal Revenue Code of 1986, as amended (the *"**Code**"),* and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1 and 8 hereof and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean Separation From Service.

(d) Payment Period for Reimbursements, In-Kind Benefits and Tax Gross-Up Payments. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the Date of Termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

11. Successors; Binding Agreement.

(a) Company's Successors. The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated the Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 11(a), the term "Company" shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) Executive's Successors. This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live or any amount is payable under this Agreement as a result of the Executive's death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company; If

to the Company or the Parent:

Academy Managing Co., L.L.C.
1800 North Mason Road
Katy, Texas 77449
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Amendment or Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in

writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of' any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

14. Dispute Resolution.

(a) THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.

(b) EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. Miscellaneous. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Section 5 and Sections 8 through 21 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or the Executive's beneficiary under Section 8 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon the Executive's termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. Entire Agreement; Effectiveness of Agreement. This Agreement, including Exhibit A attached hereto, sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto.

19. Withholding. The Company or Academy, as applicable, may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local. foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company or Academy generally, as applicable.

20. Cooperation. During the Employment Period and at any time thereafter, the Executive agrees to reasonably cooperate (with due regard given to the Executive's other commitments), (a) with the Company in the defense of any legal matter not adverse to the Executive and involving any matter that arose during the Executive's employment with the Company or any other member of the Company Group; and (b) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to the Company or any other member of the Company Group, in each case, relating to the Executive's employment period and not adverse to the Executive. The Company will reimburse the Executive for any reasonable travel and out-of-pocket costs and expenses incurred by the Executive in providing such cooperation.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

ACADEMY MANAGING CO., L.L.C.

By: /s/ William S. Ennis
Name: William S. Ennis
Title: Senior Vice-President and Chief Human Resources Officer

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ William S. Ennis
Name: William S. Ennis
Title: Senior Vice-President and Chief Human Resources Officer

EXECUTIVE

By: /s/ Steve Lawrence
Name: Steve Lawrence

EXHIBIT A

FORM OF RELEASE

Capitalized terms used but not defined in this Release (this **"Release")** shall have the same meanings as such terms are defined in the Executive Employment Agreement by and among Academy Managing Co., L.L.C., New Academy Holding Company, LLC and Steve Lawrence, dated January 29, 2019 (the **"Executive Employment Agreement").**

1. Waiver, Release, and Discharge of all Claims.

(a) In consideration for the Separation Consideration from Academy, the undersigned Executive **("Executive")** hereby irrevocably and unconditionally waives, releases, acquits and forever discharges Academy, its parent, subsidiary, predecessor, successor and affiliated companies, in such capacities and their respective directors, managers, officers, employees, representatives, agents and equity holders (collectively, the **"Releasees"),** from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent, which Executive may have or claim to have against any of the Releasees as a result of Executive's employment and/or termination from employment and/or as a result of any other matter, in any way arising on or before the date of Executive's signing of this Release, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, verbal or written, quantum meruit, any covenant of good faith and fair dealing, express or implied, or any tort or claim for personal injury or invasion of privacy, any claims regarding the enforceability of the restrictive covenants or the resulting effects of any Restrictive Covenant Violations, or any legal restrictions on Academy's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance under which the Executive has any claim against any of the Releasees, including, without limitation, Title VII of' the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1967, as amended, Chapters 21, 61, and 451 of the Texas Labor Code, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act, the Occupational Safety & Health Act, the National Labor Relations Act, Section 1981 of the Civil Rights Act of 1866, the Fair Labor Standards Act, and the Sarbanes Oxley Act of 2002, claims for workers' compensation, wages or any other compensation other than any pending workers' compensation benefits claims, or claims for benefits including, without limitation, those arising under the Employee Retirement Income Security Act (other than any claims for vested benefits). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in Executive's favor at the time of executing the release which, if known by Executive's, must have materially affected the Executive's settlement with the other person.

(b) The exceptions to the foregoing release are (i) claims and rights that may first arise after the date of Executive's signing of this Release, (ii) any existing right to indemnification under applicable laws, plans, organizational documents, or agreements (which is hereby ratified and confirmed), (iii) any rights of Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of Academy or its parent entities or Affiliates, and (iv) any claims, rights or obligations of Executive under applicable law which cannot be waived or released pursuant to an agreement as a matter of law.

(c) Executive represents and warrants that Executive has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, Executive has filed or files such a claim, Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed. Executive has not previously assigned or transferred any such claim, agrees not to file a lawsuit asserting any such released claims, and Executive agrees not to accept any monetary (money) damages or other personal relief (including legal or equitable relief) in connection with any administrative claim or lawsuit filed by any person or entity against any of the Releasees.

2. **Waiver, Release, and Discharge of Age Discrimination Claims.** In addition to Executive's waiver, release and discharge of all claims, Executive acknowledges the following:

(a) This Release is written in a manner understood by Executive and that Executive in fact understands the terms, conditions, and effect of this Release.

(b) The release by Executive in this Release refers to rights or claims arising under the Age Discrimination in Employment Act and Older Workers' Benefit Protection Act.

(c) Executive does not waive rights or claims that may arise after the date Executive signs this Release.

(d) Executive waives rights or claims only in exchange for consideration in addition to anything of value to which Executive is already entitled.

(e) Executive is advised in writing to consult with an attorney prior to executing this Release, and Executive has done so to the extent Executive so desired.

(f) Executive fully understands all of the terms of this Release and knowingly and voluntarily enters into this Release, including Executive's waiver, release, and discharge of age discrimination claims.

(g) Academy has delivered this Release to Executive to consider on [DATE], (the **"Delivery Date").** Executive has had more than twenty-one (21) days following the Delivery Date in which to consider this Release before executing it.

(h) Executive has seven (7) days following Executive's signing of this Release to revoke the waiver of any age discrimination claims and Section 2 of this Release or Executive's representations made in Section 2 of this Release (the **"Revocation Period").** If Executive decides to revoke this waiver of age discrimination claims and representations made under Section 2 of this Release, Executive must send written notice of revocation to Academy within the Revocation Period and this Release shall be deemed revoked by Executive and Academy shall not be obligated to deliver any portion of the Separation Consideration to Executive.

3. **Administrative Complaint.** Nothing in this Release shall prevent Executive from tiling a charge or complaint, including a challenge to the validity of this Release, or making a disclosure or report of possible unlawful activity with any governmental agency, including but not limited to the Equal Employment Opportunity Commission **("EEOC")** or the National Labor Relations Board **("NLRB"),** or the Securities and Exchange Commission **("SEC")** or comparable federal, state or local agency, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or from participating in any investigation or proceeding conducted by the EEOC, NLRB, SEC or comparable federal, state or local agency, or other actions protected as whistleblower activity under applicable law. Further, a disclosure of trade secrets is not a prohibited disclosure if made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. This Release does not impose any condition precedent (such as prior disclosure to Academy), any penalty, or any other restriction or limitation adversely affecting Executive's rights regarding any EEOC, NLRB, SEC, or comparable federal, state or local agency claim or investigation or proceeding conducted by any such administrative agency. Executive understands and recognizes that if a charge is filed by Executive or on Executive's behalf with an administrative agency other than the SEC, or if Executive participates in any investigation or proceeding with any such agency, **Executive will not he entitled to any damages or payment of any money relating to any event which occurred prior to Executive's execution of this Release.**

AGREED AND ACCEPTED, on this day of

EXECUTIVE

By: _____

Name: Steve Lawrence

EMPLOYMENT AGREEMENT

by and among

ACADEMY MANAGING CO., L.L.C.

NEW ACADEMY HOLDING COMPANY, LLC

and

SAMUEL JOHNSON

Dated: April 17, 2017

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement****"),* dated as of April 17, 2017 (the "***Effective Date***"), is entered into by and among Samuel Johnson (the "***Executive****"),* Academy Managing Co., L.L.C., a Texas limited liability company (the "***Company***"), and New Academy, Holding Company, LLC, a Delaware limited liability company (the "***Parent***").

WHEREAS, the Company is the sole general partner of Academy, Ltd., a Texas limited partnership ("***Academy***"); and

WHEREAS, the Company desires to employ the Executive as Executive Vice President-Retail Operations of the Company and to encourage the attention and dedication to the Company Group (as such term is defined below) of the Executive as a member of the Company's management pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive acknowledges that (i) the Executive's employment with the Company will provide the Executive with trade secrets of, and confidential information concerning, the Company, the Parent and the entities controlled by, controlling or under common control with the Company or the Parent that conduct Academy's business (such entities, together with Academy, the Company and the Parent, collectively, the "***Company Group***"), and (ii) the covenants contained in this Agreement are essential to protect the business and goodwill of the Company Group.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment and Term. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. Subject to earlier termination of Executive's employment pursuant to Section 6 hereof, the period of employment of the Executive by the Company hereunder (the "***Employment Period****")* shall commence on April 17, 2017 (the "***Commencement Date***"), and shall end on the first anniversary of the Effective Date; provided that the Employment Period shall be automatically extended for an additional year on each anniversary of the Effective Date unless written Notice of Termination (as defined in Section 7(a) hereof) is given, not later than thirty (30) days prior to the end of the Employment Period (including any extension of the Employment Period), by either the Company or the Executive to the other party that the Company or the Executive, as applicable, has elected not to extend the Employment Period for an additional year, such that, subject to the second proviso in Section 6(e), the Employment Period shall expire, and the Executive's employment with the Company shall terminate, effective as of the last day of the then-current Employment Period.

2. Position and Duties.

(a) As of the Commencement Date, the Executive shall serve as Executive Vice President-Retail Operations of the Company, in which capacity the Executive shall perform the usual and customary duties of such office, which shall be those normally inherent in such capacities in companies of similar size and character as the Company Group. The Executive shall report to the President and Chief Executive Officer of the Company. The Executive shall, if requested, also

serve as an officer or director of any member of the Company Group for no additional compensation. When reasonably requested by the President and Chief Executive Officer, the Executive shall also be required to perform the usual and customary duties of any executive with the title of Executive Vice President with companies of similar size and character as the Company Group, whether or not such duties are within the scope of the Executive's duties on the Commencement Date.

(b) During the Employment Period, the Executive agrees to devote substantially the Executive's full time, attention and energies to the Company Group's business and agrees to faithfully and diligently endeavor to the best of the Executive's ability to further the best interests of the Company Group. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 9 hereof, this shall not be construed as preventing the Executive from investing the Executive's own assets in such form or manner as will not require the Executive's services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to the covenants of Section 9 hereof, the Executive may serve as a director of other companies. if such service is approved by the Parent's Board of Managers or, if and when applicable, the equivalent ultimate governing authority of the Company Group (the "***Board***"), so long as such service is not detrimental to the Company Group, does not interfere with the Executive's service to the Company Group, and does not present the Executive with a conflict of interest.

(c) The Executive agrees and acknowledges that, in connection with the Executive's employment relationship with the Company, the Executive owes fiduciary duties to the Company Group and will act accordingly. In keeping with the Executive's fiduciary duties to the Company Group, the Executive agrees that the Executive shall not, directly or indirectly, become involved in any conflict of interest or, upon discovery thereof, allow such a conflict of interest to continue. The Executive agrees that the Executive shall promptly disclose to the Board any facts which might involve any reasonable possibility of a conflict of interest, or be perceived as such.

(d) Circumstances in which a conflict of interest on the part of the Executive would or might arise, and which should be reported immediately by the Executive to the Board, include, but are not limited to, the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the Company Group does business; (ii) misuse of information or facilities to which the Executive has access in a manner which will be detrimental to the Company Group's interest; (iii) disclosure or other misuse of Confidential Information (as defined in Section 9(a) hereof); (iv) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products or services designed, manufactured or marketed by the Company Group; (v) the appropriation to the Executive or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that the Company Group would be interested; (vi) the ownership, directly or indirectly, of a material interest in an enterprise in competition with the Company Group or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with the Company Group; and (vii) if not otherwise listed in this provision, any other circumstances that would create a conflict of interest under the Company's Ethics and Code of Conduct Policy and any successors thereto.

(e) Further, the Executive covenants, warrants and represents that the Executive shall:

(i) devote the Executive's full and best efforts to the fulfillment of the Executive's employment obligations hereunder;

(ii) exercise the highest degree of fiduciary loyalty and care and the highest standards of conduct in the performance of the Executive's duties hereunder; and

(iii) endeavor to prevent any harm, in any way, to the business or reputation of the Company Group.

(f) For purposes of this Section 2, the determination of whether any matter or transaction constitutes a conflict of interest hereunder shall be made solely by the Board in its reasonable discretion; provided, that any matter or transaction that is permitted by or otherwise in compliance with the terms and conditions of all applicable ethics, conflict of interest or similar written policies of the Company Group in effect at the time of such determination shall not be a conflict of interest hereunder. The determination of whether any matter or transaction is permitted by or otherwise in compliance with the terms and conditions of such policies shall be made solely by the Board in its reasonable discretion.

3. Place of Performance. In connection with the Executive's employment by the Company, the Executive's principal business address shall be at the Company's current principal executive offices in Katy, Texas (the "***Principal Place of Employment***"). The Executive acknowledges that the Executive's duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive's duties and responsibilities hereunder.

4. Compensation and Related Matters.

(a) *Base Salary.* During the Employment Period, the Company shall pay. or cause Academy to pay, the Executive an annual base salary (the "***Base Salary***") in an amount that shall be established from time to time by the Board or a compensation committee thereof, payable in approximately equal installments in accordance with the Company Group's customary payroll practices. The initial Base Salary for fiscal year 2017 shall be $425.000.00. The Board or a compensation committee thereof shall review the Base Salary at least once annually during the Employment Period. The Base Salary may, at the discretion of the Board or a compensation committee thereof he increased but not decreased during the Employment Period.

(b) *Annual Bonuses.* Effective commencing with the Company's 2017 fiscal year, the Executive shall he eligible to participate in an annual cash bonus plan maintained by the Company or Academy, as applicable (the "***Annual Incentive Plan***"), during the Employment Period. Except as expressly provided otherwise in this Section 4(b), the annual bonus opportunity afforded the Executive pursuant to this Section 4(b) (the "***Annual Bonus***") may vary from year to year and any Annual Bonus earned thereunder shall be paid at a time and in a manner consistent with the Company's or Academy's, as applicable, customary practices. Effective commencing with the Company's 2017 fiscal year, the Annual Bonus for each fiscal year will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn an annual bonus amount targeted at one hundred percent (100%)

of the Base Salary in effect for such fiscal year (the "***Target Bonus Opportunity***"), with the actual Annual Bonus payable, if any. being determined based on the achievement of such pre-established performance targets for such fiscal year, with any Annual Bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Annual Incentive Plan. The establishment of performance targets and the determination of the achievement of those targets will in all cases be subject to the determination of the Board or a compensation committee thereof The Annual Bonus is not an accrued right under this Agreement. Except as specifically provided in Section 8 hereof the Executive shall not be entitled to a pro rata Annual Bonus upon a termination of employment for any reason.

(c) *Expenses.* The Company shall (or shall cause Academy to) reimburse the Executive for all reasonable business, entertainment and travel expenses incurred during the Employment Period by the Executive in performing services hereunder, including all travel expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred, accounted for, and reimbursed in accordance with the Company's expense reimbursement policy.

(d) *Relocation.* In connection with the Executive's relocation of the Executive's primary residence from its current location to the Houston, Texas area, the Company shall provide, or cause Academy to provide, the Executive with the relocation benefits set forth on Appendix A hereto, subject to the Company's receipt of adequate documentation for expenses incurred, as applicable; provided, that if the Executive's employment is terminated either by the Company for Cause or by the Executive without Good Reason, in either case, prior to the first anniversary of the Commencement Date, the Executive shall repay to the Company or Academy (or, if elected by the Company or Academy and to the extent permitted under applicable law, the amount of any compensation or benefits payable to the Executive under this Agreement shall be offset by) a prorated portion of the aggregate gross amount paid by the Company or Academy, as applicable, in providing such relocation benefits, calculated based on the number of whole months remaining in such twelve (12)-month period from the Date of Termination (as such term is defined in Section 7(b) hereof), as soon as practicable following such Date of Termination.

(e) *Sign-On Bonus.* The Company will pay the Executive a sign-on bonus in the total gross amount of $100,000.00, less all applicable withholdings (the "***Sign-On Bonus***") no later than thirty days (30) after the Commencement Date. If the Executive's employment is terminated either by the Company for Cause or by the Executive without Good Reason, in either case, before the Executive completes one (1) year of employment (the "***Sign-On Bonus Period***"), the Executive shall be required to repay to the Company as soon as practicable following such Date of Termination (as such term is defined herein), a pro-rated portion of the gross amount of the Sign-On Bonus paid by the Company, calculated based on the number of whole months remaining in such twelve (12) month period from the Date of Termination.

(f) *Other Benefits.* During the Employment Period, the Executive shall be entitled to participate in all of the employee benefit plans and programs and fringe benefits and perquisites arrangements made available by the Company to its other senior executive officers, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements.

(g) *Vacation.* During the Employment Period, the Executive shall be entitled to paid vacations and holidays in accordance with the Company's vacation and holiday policies in effect from time to time for the Company's senior executive officers, but in no event shall the Executive be entitled to less than two hundred (200) paid hours of vacation during each fiscal year (prorated for 2017 from the Commencement Date).

(h) *Investment Opportunity.* At a time determined by the Board (and subject to the Executive's continued employment at such time), the Executive will be permitted to indirectly invest in the equity of the Parent, through the purchase of Class B Units of Allstar Managers LLC, a Delaware limited liability company ("***Allstar Managers***") and member of the Parent, in an amount having an aggregate value to be determined by the Board and the Executive, based on a purchase price per unit equal to the then-current fair market value per Class B Unit of Allstar Managers, as determined by the Board.

(i) *Initial Equity Grants.* On the same date in the second quarter of the Company's 2017 fiscal year on which options are first granted to other senior executives of the Company (and subject to the Executive's continued employment on such grant date) (the "***Option Grant Date***"), the Executive will be granted a number of options to acquire Membership Units of the Parent (the "***Options***") pursuant and subject to the New Academy Holding Company, LLC 2011 Unit Incentive Plan, as may be amended from time to time, and the terms and conditions of the form of an Option Award Agreement to be provided by the Company, which Options shall have a grant date fair value equal to $450,000.00. Sixty-six and two-thirds percent (66⅔%) of the Options will be service-based and vest ratably over a period of four years from the Option Grant Date based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. Thirty-three and one-third percent (33⅓%) of the Options will be performance-and service-based and vest ratably over a period of four years from the Option Grant Date (generally) based on the Parent's achievement of the performance goal established by the Compensation Committee of the Board for the first year only and thereafter, if the first-year performance goal was achieved, based solely on the Executive's continued employment, in accordance with the terms of such Option Award Agreement. The Executive's eligibility for equity awards in future fiscal years will be determined by the Board in its sole discretion.

5. Indemnification; Insurance. The Company shall indemnify, defend and hold harmless the Executive to the fullest extent permitted by the laws of the Company's state of organization in effect at that time, or regulations of the Company, whichever affords the greater protection to the Executive, for all losses, liabilities, payments or expenses incurred or damages paid or payable by the Executive for bona fide claims against the Executive or the Company Group (including settlement amounts), where such claims are based upon the actions or failures to act by the Executive in the Executive's capacity as a service provider to the Company Group. The Executive will be entitled to coverage under any insurance policies the Company Group may elect to maintain generally for the benefit of its officers, directors and managers against all costs, charges and expenses incurred in connection with any action, suit or proceeding to which the Executive may be made a party by reason of being an officer, director or manager of any member of the Company Group.

6. Termination. The Employment Period shall end and this Agreement shall terminate in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 6 and Section 7, as applicable, on the Date of Termination.

(a) *Death.* The Executive's employment hereunder and this Agreement shall terminate upon the Executive's death.

(b) *Disability.* The Company may terminate the Executive's employment and this Agreement as a result of the Executive's Disability, provided, that the Company allows the Executive thirty (30) days following Notice of Termination to return to the performance of the essential functions of the Executive's position, with or without reasonable accommodation. For purposes of this Agreement, "***Disability***" means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing the Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of the Executive's position, with or without reasonable accommodation (the "***Disability Period***"), the Executive shall continue to receive the Executive's Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Section 409A (as defined in Section 10 below), by any payments made to the Executive during the Disability Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause.* The Company may terminate the Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have "***Cause***" to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, *an* act of fraud, embezzlement, theft or other criminal act in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude;

(iii) the Executive has committed a material breach of any provision of this Agreement; or

(iv) the failure by the Executive to perform any and all covenants contained in (A) Section 2 hereof for any reason other than the Executive's death, Disability or following the Executive's delivery of a Notice of Termination for Good Reason and (B) Section 9 hereof;

provided, that, if reasonably capable of being cured, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii) or (iv) above to remedy any such occurrence otherwise constituting Cause under such clause (iii) or (iv). The determination of whether there has been "Cause" for purposes of this Agreement shall be determined by the Board or any committee thereof in its sole discretion.

(d) *Good Reason.* The Executive may terminate the Executive's employment hereunder for Good Reason. "***Good Reason***" for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) a material diminution of Executive's position, authority, duties or other responsibilities from Executive's position, authority, duties or other responsibilities as contemplated by Section 2 hereof;

(ii) a reduction in the Base Salary and Target Bonus Opportunity, in the aggregate, from the Base Salary and Target Bonus Opportunity, in the aggregate, as set the Board from time to time following the Effective Date;

(iii) the relocation of the principal place of employment to a location more than fifty (50) miles from the Principal Place of Employment, if a move to such other location materially increases the Executive's commute; or

(iv) a material breach by the Company or the Parent of any applicable provision of this Agreement;

provided, in any case, that the Company shall have thirty (30) days from the date on which the Company receives the Executive's Notice of Termination for Good Reason to remedy any such occurrence otherwise constituting Good Reason. Notwithstanding any provision of this Agreement to the contrary, the Executive shall not be treated as having terminated the Executive's employment for a Good Reason event if the Executive incurs a Separation From Service (as defined in Section 10(b) hereof) more than six (6) months following the initial existence of the particular Good Reason condition or if the Executive has not given the Company written notice of the Good Reason condition within ninety (90) days after the initial existence of the Good Reason condition or if the Executive waives in writing the Executive's right to claim Good Reason as a result of the event.

(e) *Without Cause or Good Reason*. Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 7 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days' prior to the Date of Termination if the Executive intends to terminate the Executive's employment without Good Reason; and provided, further, that, notwithstanding anything in this Agreement to the contrary, in the event Executive elects not to extend the Employment Period pursuant to Section 1, such nonrenewal shall be deemed a termination by Executive of the Executive's employment with the Company without Good Reason effective as of the last day of the then current Employment Period, which shall constitute the Date of Termination for purposes of this Agreement, and provided, further, that, notwithstanding anything in this Agreement to the contrary, in the event the Company elects not to extend the Employment Period pursuant to Section 1, such nonrenewal shall be deemed a termination by the Company of the Executive's employment with the Company without Cause effective as of the last day of the then current Employment Period, which shall constitute the Date of Termination for purposes of this Agreement.

7. Termination Procedure.

(a) *Notice of Termination*. Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 6(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "***Notice of Termination***" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 6(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) *Date of Termination*. "***Date of Termination***" shall mean the effective date of termination of the Executive's employment for any reason, which shall be (i) if the Executive's employment is terminated pursuant to Section 6(a) hereof, the date of the Executive's death, or (ii) if the Executive's employment is terminated pursuant to Section 6(b) hereof, the later of (A) the date that is thirty (30) days after the Notice of Termination is given and (B) the date that is the end of the one-hundred eighty (180) day period referenced in Section 6(b) hereof; provided, that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such period, or (iii) if the Executive's employment is terminated pursuant to Section 6(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 12 hereof, or (iv) if the Executive's employment is terminated pursuant to Section 6(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (v) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive's employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive's resignation prior to the expiration of such 30-day notice period). The Company may also place the Executive on "garden leave" for all or any portion of such notice period.

8. Compensation Upon Termination or During Disability.

(a) Accrued Salary, Prior Year Bonus and Accrued Obligation Defined. For purposes of this Agreement, "***Accrued Salary***" means a lump sum amount in cash equal to the sum of the Base Salary accrued but not paid through the Date of Termination for periods through but not following the Date of Termination, and any accrued vacation pay, in each case to the extent not theretofore paid. For purposes of this Agreement, "***Prior Year Bonus***" means any bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement, payment of the "***Accrued Obligation***" shall mean payment by the Company or Academy, as applicable, to the Executive (or the Executive's designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, the vesting of any equity incentive awards in accordance with the terms of the plans and award

agreements evidencing such awards, any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy and any right to indemnification under applicable corporate law, this Agreement, the governing documents of the Company Group or any benefit plan of any member of the Company Group or otherwise.

(b) *Disability; Death*. Following the termination of the Executive's employment pursuant to Section 6(a) or Section 6(b) hereof, the Company shall pay, or cause Academy to pay, to the Executive (or the Executive's designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination;

(ii) the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements; and

(iv) if such termination occurs after the Company's 2017 fiscal year, a pro rata portion of the Annual Bonus for the partial fiscal year in which the Date of Termination occurs in an amount equal to the product of (x) the Annual Bonus that the Executive would otherwise have been entitled to receive if the Executive had remained employed on the date on which such Annual Bonus is paid (but with the amount of the Annual Bonus payable calculated based solely on the level of achievement of the applicable financial performance metrics for such fiscal year and not on any personal performance goals) and (y) a fraction, the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365, payable in a lump sum payment on the date on which annual bonuses are paid to the Company's other senior executive officers with respect to such fiscal year.

(c) *By the Company for Cause or by the Executive Without Good Reason*. If during the Employment Period the Executive's employment is terminated by the Company for Cause pursuant to Section 6(c) hereof or by the Executive without Good Reason pursuant to Section 6(e) hereof, the Company shall pay, or cause Academy to pay, to the Executive the Accrued Salary within thirty (30) days following the Date of Termination and the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company. Following such payments, the Company Group shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued Obligation under the terms of an employee benefit plan of the Company Group. The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(d) *By the Company Without Cause or by the Executive for Good Reason*. If during the Employment Period 'the Executive's employment is terminated by the Company without Cause (including as a result of the Company's non-extension of the Employment Period pursuant to Section 1), other than as a result of the Executive's death or Disability, or if the Executive terminates the Executive's employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company shall pay, or cause Academy to pay, the Executive the Accrued Salary;

(ii) The Company shall pay, or cause Academy to pay, the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive continued to be employed by the Company;

(iii) The Company shall pay, or cause Academy to pay, to the Executive a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs (or (I) if the Date of Termination occurs during the Company's 2018 fiscal year, then the Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive for the Company's 2017 fiscal year. or (II) if the Date of Termination occurs during the Company's 2017 fiscal year, then the Target Bonus Opportunity). The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the "***Severance Period***") in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the date on which the Release (as defined in Section 8(1) below) becomes irrevocable (the "***Release Effective Date***"); provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(iv) The Company shall pay, or cause Academy to pay, to the Executive an amount equal to the product of (x) the Annual Bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, multiplied by (y) a fraction. the numerator of which is equal to the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, and the denominator of which is equal to 365. Such payment is in lieu of the Annual Bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twelve (12) months following the Date of Termination in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Effective Date: provided, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive's death;

(v) During the Severance Period the Company shall (or shall cause Academy to) arrange to provide the Executive and the Executive's covered dependents medical

insurance benefits, contingent on the Executive electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), no less favorable than those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage (which shall be deemed to be the COBRA cost unless otherwise defined by the U.S. Treasury), and the Company shall pay, or cause Academy to pay, to the Executive each month during the Severance Period an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in effect from time to time, over the amount of the Executive's portion of such premiums as if the Executive was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such Severance Period, commencing with the month immediately following the Date of Termination; provided, that the first such payment shall be made on the Release Effective Date. Notwithstanding the foregoing, the payments provided under this clause (v) shall cease at such time as the Executive commences to receive such benefits from a subsequent employer of the Executive during the Severance Period (and the Executive shall have the obligation to notify the Company that the Executive is receiving such benefits from a subsequent employer);

(vi) The Company shall, pay, or cause Academy to pay, the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive's basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the first payroll date following the Release Effective Date. If applicable, the Executive may, at the Executive's option, convert the Executive's basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion; and

(vii) The Company shall pay, or cause Academy to pay, the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) *No Right to Specify Year of Payment.* The Executive shall have no right to specify the year in which any payment made under this Section 8 shall be made.

(f) *No Duty to Mitigate; Release.* The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Employment Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 8. Further, except to the extent set forth in Sections 4(b), 4(g), 8(d)(v) and 9(e) hereof, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Notwithstanding anything to the contrary contained herein, payments to the Executive under this Section 8 (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations) are contingent upon

(A) the Executive's continued compliance with the provisions of Section 9 hereof and (B) the Executive's execution and delivery, without revocation, of a fully effective release in the form of Exhibit A attached hereto (the "***Release***"), which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the "***Release Period***"). Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 8 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

9. Restrictive Covenants.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as "***Confidential Information***"). For the avoidance of doubt, Confidential Information shall not include information that:

(i) is already in the Executive's possession; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers, employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of the Executive's duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 9(a).

The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of the Executive's employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "***Governmental Entity***") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided, that in each case such communications and disclosures are consistent with applicable law. The Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Notwithstanding the foregoing, under no circumstance is the Executive authorized to disclose any information covered by the Company Group's attorney-client privilege or attorney work product or the Company Group's trade secrets without prior written consent of the Company's CEO & President.

(b) *Intellectual Property.* If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("***Works***"), either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the Company Group ("***Company Works***"), the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, 17 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the "***Preexisting Works****"),* the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including, without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information pursuant to Section 9(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of two (2) years following the Date of Termination (the "***Restricted Period***"), the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company; and Hibbett Sports, Inc. This restriction does not include (i) multipurpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than 50% of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually.

(d) *Non-Solicitation; No-Hire.* In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to any member of the Company Group upon the Date of Termination, or within six (6) months prior thereto;

(ii) Hire any person who was employed by the Company Group in a salaried position at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) Call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 9(d) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(e) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 9 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 9 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 9 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 8 hereof (other than the Accrued Salary, Prior Year Bonus, if any, and Accrued Obligations), in the event that the Executive has violated any provision of Section 9. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void hut shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 9(a), (b) or (c) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

10. Section 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation From Service or (ii) the date of the Executive's death (such relevant period, the ***"Delay Period").*** Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 10(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company shall pay, or shall cause Academy to pay, the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms ***"Separation From Service"*** and ***"Specified Employee"*** shall have the meanings ascribed to those terms in Section 409A, the term ***"Section 409A"*** means Section 409A of the Internal Revenue Code of 1986, as amended (the ***"Code"),*** and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.
Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1 and 8 hereof and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean Separation From Service.

(f) Payment Period for Reimbursements, In-Kind Benefits and Tax Gross-Up Payments. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(g) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the Date of Termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(h) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

10. Successors: Binding Agreement.

(a) *Company's Successors.* The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated the Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 11(a), the term "Company" shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live or any amount is payable under this Agreement as a result of the Executive's death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

11. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company;

If to the Company or the Parent:

Academy Managing Co., L.L.C.
1800 North Mason Road
Katy, Texas 77449
Attention: CEO & President

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. Amendment or Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

13. Dispute Resolution.

(a) THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.

(b) EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall he governed by the laws of the State of Texas without regard to its conflicts of law principles.

15. Miscellaneous. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 5, 8, 9, 10, 11, 12 and 14 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or the Executive's beneficiary under Section 8 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon the Executive's termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

16. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

17. Entire Agreement; Effectiveness of Agreement. This Agreement, including Appendix A and Appendix B attached hereto, sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto.

18. Withholding. The Company or Academy, as applicable, may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company or Academy generally, as applicable.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

20. Fees. The Company agrees to reimburse Executive for the reasonable attorneys' fees incurred by Executive in connection with the negotiation and execution of this Agreement and any amendment or restatement of this Agreement, in an amount not to exceed $10,000.

(Signatures on next page.)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

ACADEMY MANAGING CO., L.L.C.

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

NEW ACADEMY HOLDING COMPANY, LLC

By: /s/ James Kevin (J.K.) Symancyk
Name: James Kevin (J.K.) Symancyk
Title: President and Chief Executive Officer

EXECUTIVE

By: /s/ Samuel Johnson
Name: Samuel Johnson

APPENDIX A

FORM OF RELEASE

Capitalized terms used but not defined in this Release (this "**Release**") shall have the same meanings as such terms are defined in the Separation and Release Agreement by and between Academy Managing Co., L.L.C. and Samuel Johnson, dated [INSERT DATE] (the "**Separation and Release Agreement**").

1. **Waiver, Release, and Discharge of all Claims**.

(a) In consideration for the Separation Consideration from Academy, the undersigned Executive ("**Executive**") hereby irrevocably and unconditionally waives, releases, acquits and forever discharges Academy, its parent, subsidiary, predecessor, successor and affiliated companies, in such capacities and their respective directors, managers, officers, employees, representatives, agents and equity holders (collectively, the "**Releasees**"), from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent, which Executive may have or claim to have against any of the Releasees as a result of Executive's employment and/or termination from employment and/or as a result of any other matter, in any way arising on or before the date of Executive's signing of this Release, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, verbal or written, quantum meruit, any covenant of good faith and fair dealing, express or implied, or any tort or claim for personal injury or invasion of privacy, any claims regarding the enforceability of the restrictive covenants or the resulting effects of any Restrictive Covenant Violations, or any legal restrictions on Academy's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance under which the Executive has any claim against any of the Releasees, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1967, as amended, Chapters 21, 61, and 451 of the Texas Labor Code, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act, the Occupational Safety & Health Act, the National Labor Relations Act, Section 1981 of the Civil Rights Act of 1866, the Fair Labor Standards Act, and the Sarbanes Oxley Act of 2002, claims for workers' compensation, wages or any other compensation other than any pending workers' compensation benefits claims, or claims for benefits including, without limitation, those arising under the Employee Retirement Income Security Act (other than any claims for vested benefits). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in Executive's favor at the time of executing the release which, if known by Executive's, must have materially affected the Executive's settlement with the other person.

(b) The exceptions to the foregoing release are (i) claims and rights that may first arise after the date of Executive's signing of this Release, (ii) any rights specified in the Separation and Release Agreement and the Management Equity Agreements, as modified by the Separation and Release Agreement and Appendix A to the Separation and Release Agreement, (iii) any existing right to indemnification under applicable laws, plans, organizational documents, or agreements (which is hereby ratified and confirmed), (iv) any rights of Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of Academy or its parent entities or Affiliates, and (v) any claims, rights or obligations of Executive under applicable law which cannot be waived or released pursuant to an agreement as a matter of law.

(c) Executive represents and warrants that Executive has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, Executive has filed or files such a claim, Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed. Executive has not previously assigned or transferred any such claim, agrees not to file a lawsuit asserting any such released claims, and Executive agrees not to accept any monetary (money) damages or other personal relief (including legal or equitable relief) in connection with any administrative claim or lawsuit filed by any person or entity against any of the Releasees.

2. **Waiver, Release, and Discharge of Age Discrimination Claims**. In addition to Executive's waiver, release and discharge of all claims, Executive acknowledges the following:

(a) This Release is written in a manner understood by Executive and that Executive in fact understands the terms, conditions, and effect of this Release.

(b) The release by Executive in this Release refers to rights or claims arising under the Age Discrimination in Employment Act and Older Workers' Benefit Protection Act.

(c) Executive does not waive rights or claims that may arise after the date Executive signs this Release.

(d) Executive waives rights or claims only in exchange for consideration in addition to anything of value to which Executive is already entitled.

(e) Executive is advised in writing to consult with an attorney prior to executing this Release, and Executive has done so to the extent Executive so desired.

(f) Executive fully understands all of the terms of this Release and knowingly and voluntarily enters into this Release, including Executive's waiver, release, and discharge of age discrimination claims.

(g) Academy has delivered this Release to Executive to consider on [DATE], (the "Delivery Date"). Executive has had more than twenty-one (21) days following the Delivery Date in which to consider this Release before executing it.

(h) Executive must execute and return this Release to Academy on or within five (5) days after the Termination Date. If Executive does not execute and return this Release to Academy on or within five (5) days after the Termination Date, this Release shall be considered rejected and Academy shall not be obligated to deliver any portion of the Separation Consideration to Executive.

(i) Executive has seven (7) days following Executive's signing of this Release to revoke the waiver of any age discrimination claims and Section 2 of this Release or Executive's representations made in Section 2 of this Release (the "**Revocation Period**"). If Executive decides to revoke this waiver of age discrimination claims and representations made under Section 2 of this Release, Executive must send written notice of revocation to Academy within the Revocation Period and this Release shall be deemed revoked by Executive and Academy shall not be obligated to deliver any portion of the Separation Consideration to Executive.

3. **Administrative Complaint**. Nothing in this Release shall prevent Executive from filing a charge or complaint, including a challenge to the validity of this Release. or making a disclosure or report of possible unlawful activity with any governmental agency, including but not limited to the Equal Employment Opportunity Commission ("**EEOC**") or the National Labor Relations Board ("**NLRB**"), or the Securities and Exchange Commission ("**SEC**") or comparable federal, state or local agency, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or from participating in any investigation or proceeding conducted by the EEOC, NLRB, SEC or comparable federal, state or local agency, or other actions protected as whistleblower activity under applicable law. Further, a disclosure of trade secrets is not a prohibited disclosure if made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. This Release does not impose any condition precedent (such as prior disclosure to Academy), any penalty, or any other restriction or limitation adversely affecting Executive's rights regarding any EEOC, NLRB, SEC, or comparable federal, state or local agency claim or investigation or proceeding conducted by any such administrative agency. Executive understands and recognizes that if a charge is filed by Executive or on Executive's behalf with an administrative agency other than the SEC, or if Executive participates in any investigation or proceeding with any such agency. **Executive will not be entitled to any damages or payment of any money relating to any event which occurred prior to Executive's execution of this Release**.

(Remainder of page intentionally blank. Signature page follows.)

AGREED AND ACCEPTED, on this _____ day of _____, ____.

EXECUTIVE

By: _____
Name: Samuel Johnson

Appendix B

Relocation Benefits

The Company shall provide, or cause Academy to provide, the Executive with the following relocation benefits pursuant to the terms and conditions set forth in Section 4(d) of the Employment Agreement:

1. A relocation allowance of $75,000 (gross), payable no later than the Company's first regular payroll date following the Commencement Date;
2. Reimbursement by the Company for reasonable travel and lodging expenses incurred for one (1), three-day, two-night house-hunting trip to the Houston area for the Executive and a guest, to be reserved by the Company's relocation department.
3. Company-paid temporary housing for up to 90 days, as needed, including per diem;
4. Company-paid professional moving service by an Academy designated move partner (including coverage for all standard household goods, two (2) vehicles and packing and unpacking);
5. Storage of standard household goods for the duration of, the period of temporary housing used (if needed)
6. Reimbursement by the Company for reasonable travel and lodging expenses incurred for one (1), two-day, one-night house-sale closing trip for former residence, for the Executive only, to be reserved by the Company's relocation department.
7. Payment by the Company of 6% of the sales price of the Executive's existing primary residence for realtor fees and up to $3,500 in customary closing costs for the sale of the Executive's existing primary residence;
8. One (1) full family one-way final trip from Carmel, Indiana to Houston Texas;
9. Up to five (5) days off with pay for relocation related needs (up to 8 hours per day).

Exhibit 10.33

EXECUTION VERSION

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

by and between

ACADEMY MANAGING CO., L.L.C.

and

KEN ATTAWAY

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of August 30, 2011 (this "***Agreement***"), by and between Ken Attaway (the "***Executive***") and Academy Managing Co., L.L.C., a Texas limited liability company (the "***Company***"), hereby amends and restates the Employment Agreement by and between Executive and the Company dated as of July 1, 2009, and amended on April 20, 2011.

WHEREAS, the Company, sole general partner of Academy, Ltd., a Texas limited partnership ("***Academy***"), desires to retain the Executive as President of the Company and to encourage the attention and dedication to the Company of the Executive as a member of the Company's management, in the best interests of the Company and the entities controlled by, controlling or under common control with the Company (the "***Affiliates***");

WHEREAS, on August 3, 2011, there occurred the consummation of the transactions contemplated by the Purchase and Sale Agreement, dated as of May 27, 2011, entered into by and among the Company, Academy Holdings, Inc., a Nevada corporation, New Academy Holding Company, LLC, a Delaware limited liability company ("***Holdco***"), Associated Investors, L.L.C., a Texas limited liability company (formerly known as Associated Investors, Inc., a Nevada corporation), Allstar LLC, a Delaware limited liability company and Allstar Sub LLC, a Delaware limited liability company, whereby Holdco indirectly acquired a majority interest in Academy (the "***Transaction***").

WHEREAS, the Executive is willing to commit himself to serve the Company on the terms and conditions herein provided following the Transaction;

WHEREAS, the Company and the Executive desire to set forth in this Agreement the terms and conditions of the Executive's employment; and

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment and Term. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. The period of employment of the Executive by the Company hereunder (the "***Employment Period***") shall commence on the date hereof (the "***Effective Date***") and shall end on the Executive's Date of Termination (as defined in Section 7(b) hereof). The term of this Agreement (the "***Term***") shall begin on the Effective Date and shall end on the first anniversary thereof; provided that the Term shall be extended for an additional year on each anniversary of the Effective Date unless written notice is given not later than thirty (30) days prior to the end of the Term (including any extended Term) by either the Company or the Executive to the other party, that the Company or the Executive, as applicable, has elected not to extend the Term for an additional year, such that, subject to the proviso in Section 6(e), the Term shall expire, and the Executive's employment with the Company shall terminate, effective as of the last day of the then current Term.

2. Position and Duties.

(a) As of the Effective Date, Executive shall serve as Executive Vice President, Operations of the Company, in which capacity the Executive shall perform the usual and customary duties of such office, which shall be those normally inherent in such capacity in companies of similar size and character as the Company and its Affiliates. The Executive agrees and acknowledges that, in connection with his employment relationship with the Company, when reasonably requested by the President the Executive shall also be required to perform the usual and customary duties of any executive with the title of Executive Vice President with companies of similar size and character as the Company and its Affiliates, whether or not such duties are within the scope of the Executive's duties on the Effective Date.

(b) During the Employment Period, the Executive agrees to devote substantially his full time, attention and energies to the Company's business and agrees to faithfully and diligently endeavor to the best of his ability to further the best interests of the Company. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 9 herein, this shall not be construed as preventing the Executive from investing his own assets in such form or manner as will not require his services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to Section 9 herein, the Executive may serve as a director of other companies, if such service is approved by the Board of Managers or equivalent governing body of the Company (the "***Board***"), so long as such service is not detrimental to the Company, does not interfere with the Executive's service to the Company and does not present the Executive with a conflict of interest.

(c) In keeping with the Executive's fiduciary duties to the Company, the Executive agrees that he shall not, directly or indirectly, become involved in any conflict of interest, or upon discovery thereof, allow such a conflict to continue. Moreover, the Executive agrees that he shall promptly disclose to the Board any facts which might involve any reasonable possibility of a conflict of interest, or be perceived as such.

(d) Circumstances in which a conflict of interest on the part of the Executive would or might arise, and which should be reported immediately by the Executive to the Board, include, but are not limited to, the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the Company does business; (ii) misuse of information or facilities to which the Executive has access in a manner which will be detrimental to the Company's interest; (iii) disclosure or other misuse of Confidential Information (as defined in Section 9); (iv) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products designed, manufactured or marketed by the Company; (v) the appropriation to the Executive or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that the Company would be interested; and (vi) the ownership, directly or indirectly, of a material interest in an enterprise in competition with the Company or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with the Company.

(e) Further, the Executive covenants, warrants and represents that he shall:

(i) devote his full and best efforts to the fulfillment of his employment obligations;

(ii) exercise the highest degree of fiduciary loyalty and care and the highest standards of conduct in the performance of his duties; and

(iii) endeavor to prevent any harm, in any way, to the business or reputation of the Company.

(f) For purposes of this Section 2, the determination of whether any matter or transaction constitutes a conflict of interest hereunder shall be made solely by the Board in its reasonable discretion; provided, however, any matter or transaction that is permitted by or otherwise in compliance with the terms and conditions of all applicable ethics, conflict of interest or similar written policies of the Company in effect at the time of such determination shall not be a conflict of interest hereunder. The determination of whether any matter or transaction is permitted by or otherwise in compliance with the terms and conditions of such policies shall be made solely by the Board in its reasonable discretion.

3. Place of Performance. In connection with the Executive's employment by the Company, the Executive's principal business address shall be at the Company's current principal executive offices in Katy, Texas (the "***Principal Place of Employment***") or in such other place as the Executive and the Company may agree.

4. Compensation and Related Matters.

(a) Base Salary. During the Employment Period, the Company shall pay, or cause Academy to pay, the Executive an annual base salary ("***Base Salary***") in an amount that shall be established from time to time by the Board or a compensation committee thereof, payable in approximately equal installments in accordance with the Company's customary payroll practices. The Base Salary shall be $300,000. The Board or a compensation committee thereof shall review the Executive's Base Salary at least annually during the Employment Period. The Executive's Base Salary may be increased but not decreased during the Employment Period.

(b) Bonuses. During the Employment Period, the Executive shall be eligible to participate in a cash bonus plan maintained by the Company or Academy, as applicable (the "***Annual Incentive Plan***"). Except as expressly provided otherwise in this Section 4(b), the bonus opportunity afforded the Executive pursuant to this Section 4(b) may vary from year to year and any bonus earned thereunder (the "***Annual Bonus***") shall be paid at a time and in a manner consistent with the Company's or Academy's, as applicable, customary practices. For each fiscal year during the Employment Period, the Executive's Annual Bonus will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn a targeted annual bonus amount (the "***Target Bonus Opportunity***") equal to a percentage of Base Salary determined by the Board at the first

meeting of the Board following the date of this Agreement, based on the achievement of certain pre-established financial and other performance targets for such year (provided the actual annual bonus may be higher or lower than the targeted annual bonus amount based on performance), with any bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Annual Incentive Plan. The establishment of performance goals and the determination of the achievement of those goals is in all cases subject to the determination of the Board.

(c) Expenses. The Company shall (or shall cause Academy to) reimburse the Executive for all reasonable business expenses incurred during the Employment Period by the Executive in performing services hereunder in accordance with the Company's expense reimbursement policy, including all travel expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the Company's expense reimbursement policy.

(d) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in all of the employee benefit plans and arrangements made available by the Company to its other senior executive officers, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or perquisite.

(e) Vacation. During the Employment Period, the Executive shall be entitled to such number of days of vacation per year as is specified in the Company's vacation policy. The Executive's vacation benefits shall be administered in accordance with the Company's vacation policy.

(f) Services Furnished. During the Employment Period, the Executive shall at all times be provided with office space, stenographic assistance and such other facilities and services as are suitable to his position and no less favorable than those being provided to the Executive by the Company as of the date hereof.

5. Indemnification; Insurance. The Company shall indemnify the Executive to the fullest extent permitted by the laws of the Company's state of organization in effect at that time, or regulations of the Company, whichever affords the greater protection to the Executive, for payments or expenses incurred or damages paid or payable by the Executive for bona fide claims against the Executive or the Company (including settlement amounts), where such claims are based upon the actions or failures to act by the Executive in his capacity as a service provider to the Company. The Executive will be entitled to coverage under any insurance policies the Company may elect to maintain generally for the benefit of its officers, directors and managers against all costs, charges and expenses incurred in connection with any action, suit or proceeding to which he may be made a party by reason of being an officer, director or manager of the Company.

6. Termination. The Employment Period shall end in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 6 or Section 7 on the Executive's Date of Termination.

(a) *Death.* The Executive's employment hereunder shall terminate upon his death.

(b) *Disability*. The Company may terminate the Executive's employment as a result of the Executive's "***Disability***," as that term is defined below, provided the Company allows the Executive thirty (30) days following Notice of Termination (as defined in Section 7(a) hereof) to return to the performance of the essential functions of his position, with or without accommodation. For purposes of this Agreement, "***Disability"*** means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of his position, with or without reasonable accommodation ("***Disability Period***"), the Executive shall continue to receive his Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Code Section 409A, by any payments made to the Executive during the Disability Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause.* The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "***Cause***" to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with his duties or in the course of his employment with the Company;

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude;

(iii) the Executive has committed a material breach of any provision of this Agreement;

(iv) the failure by the Executive to perform any and all covenants contained in (A) Sections 2(c), 2(d) and 2(e) for any reason other than the Executive's death, Disability or following the Executive's delivery of a Notice of Termination for Good Reason and (B) Section 9; or

(v) a material breach by the Executive of the Confidentiality Agreement (as defined in Section 9(a));

provided, that, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii), (iv) or (v) above to remedy any such occurrence otherwise constituting Cause under such clause (iii), (iv) or (v). The determination of whether there has been "Cause" for purposes of this Agreement shall be determined by the Board or any committee thereof in its sole discretion.

(d) *Good Reason.* The Executive may terminate his employment hereunder for "***Good Reason***". Good Reason for the Executive's termination of employment shall mean the

occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) the assignment to the Executive of any duties materially inconsistent with the Executive's position, authority, duties or other responsibilities as contemplated by Section 2 of this Agreement, or any material diminution in the Executive's title, authority, duties or reporting lines as they existed immediately following the closing of the Transaction;

(ii) a reduction in the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, from the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, for the Company's 2010 fiscal year, or if greater, from the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the date of this Agreement;

(iii) the relocation of the principal place of employment to a location more than thirty-five (35) miles from the Principal Place of Employment, if a move to such other location materially increases the Executive's commute; or

(iv) a material breach by the Company of any provision of this Agreement;

provided, in any case, that the Company shall have thirty (30) days from the date on which the Company receives the Executive's Notice of Termination for Good Reason to remedy any such occurrence otherwise constituting Good Reason. Notwithstanding any provision of this Agreement to the contrary, the Executive shall not be treated as having terminated his employment for a Good Reason event if he incurs a Separation from Service more than one year following the initial existence of the particular Good Reason condition or if he has not given the Company written notice of the Good Reason condition within ninety (90) days after the initial existence of the Good Reason condition or if he waives in writing his right to claim Good Reason as a result of the event.

(e) *Termination of Agreement.* Either party hereto may terminate the employment of the Executive and this Agreement at any time by giving the Board or the Executive, as the case may be, no more than thirty (30) days' prior written notice, in accordance with Section 7 hereof, of such party's intent to so terminate this Agreement and the employment of the Executive; provided, that, notwithstanding anything in this Agreement to the contrary, in the event the Company elects not to extend the Term pursuant to Section 1, the termination of the Executive's employment as a result of such nonrenewal shall be deemed a termination by the Company of the Executive's employment with the Company without Cause effective as of the last day of the then current Term, which shall constitute the Executive's Date of Termination for purposes of this Agreement.

7. Termination Procedure.

(a) *Notice of Termination.* Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 6(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11 hereof. For purposes of this Agreement, a "***Notice of Termination***" shall mean a

notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 6(e), shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) *Date of Termination.* "***Date of Termination***" shall mean (i) if the Executive's employment is terminated pursuant to Section 6(a) hereof, the date of the Executive's death, (ii) if the Executive's employment is terminated pursuant to Section 6(b) hereof, the later of (A) thirty (30) days after Notice of Termination is given and (B) the end of the one-hundred eighty (180) day period referenced in Section 6(b) hereof (provided that the Executive shall not have returned to the performance of his duties on a full-time basis during such period), (iii) if the Executive's employment is terminated pursuant to Section 6(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 11 hereof, (iv) if the Executive's employment is terminated pursuant to Section 6(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination and (v) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination, which date shall be not later than thirty (30) days following the date on which Notice of Termination is given.

8. Compensation Upon Termination or During Disability.

(a) Accrued Salary and Accrued Obligation Defined. For purposes of this Agreement, "***Accrued Salary***" means a lump sum amount in cash equal to the sum of the Executive's Base Salary accrued but not paid through the Date of Termination for periods through but not following the Executive's Separation From Service, and any accrued vacation pay, in each case to the extent not theretofore paid. For purposes of this Agreement, "***Prior Year Bonus***" means any bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement, payment of the "***Accrued Obligation***" shall mean payment by the Company or Academy, as applicable, to the Executive (or his designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, any equity incentive awards in accordance with the terms of such plans and programs, and shall include any rights of Executive as an insured, or to coverage, under any director's and officer's liability insurance policy and any right to indemnification under applicable corporate law, this Agreement, the by-laws or certificate of incorporation of the Company or any subsidiary or any benefit plan of the Company and its affiliates or otherwise.

(b) Disability; Death. Following the termination of the Executive's employment pursuant to Section 6(a) or Section 6(b) hereof, the Company shall pay, or cause Academy to pay, to the Executive (or his designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination;

(ii) the Prior Year Bonus, if any, at the same time in the year of termination as such payment would be made if Executive continued to be employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements;

(iv) an amount equal to one times the Executive's Base Salary as in effect on the Date of Termination, payable in equal installments ratably over twelve (12) months following the Date of Termination in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Payment Date (as defined in Section 8(f) below); provided, however, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of Executive's death.

(v) an amount equal to the bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, payable in equal installments ratably over twelve (12) months following the Date of Termination in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Payment Date (as defined in Section 8(f) below); provided, however, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of Executive's death. Such payment is in lieu of the bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs.

(c) By the Company for Cause or by the Executive Without Good Reason. If during the Term the Executive's employment is terminated by the Company pursuant to Section 6(c) hereof or by the Executive without Good Reason pursuant to Section 6(e) hereof, the Company shall pay, or cause Academy to pay, to the Executive the Accrued Salary within thirty (30) days following the Date of Termination. Following such payments, the Company shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued Obligation under the terms of an employee benefit plan of the Company. The Company shall pay the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(d) By the Company Without Cause or by the Executive for Good Reason. If during the Term the Executive's employment is terminated by the Company other than for Cause (including as a result of the Company's non-extension of the Term pursuant to Section 1), death or Disability or if the Executive terminates his employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company shall pay, or cause Academy to pay, the Executive the Accrued Salary.

(ii) The Company shall pay the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if Executive continued to be employed by the Company

(iii) The Company shall also pay, or cause Academy to pay, to the Executive a cash severance payment in an amount equal to the product of (x) two multiplied by (y) the sum of (A) Executive's Base Salary (at the rate in effect as of the last day of the year immediately preceding the Date of Termination) and (B) the average annual bonus paid (or earned, to the extent not yet paid as of the Date of Termination) to Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the "***Severance Period***") in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Payment Date (as defined in Section 8(f) below); provided, however, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of Executive's death.

(iv) The Company shall also pay, or cause Academy to pay, to the Executive an amount equal to the product of (x) the bonus earned by the Executive under the Annual Incentive Plan for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, multiplied by (y) a fraction, the numerator of which is equal to (A) the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs through and the denominator of which is equal to (B) 365. Such payment is in lieu of the bonus that would have otherwise been due to the Executive under the Annual Incentive Plan for the performance period in which the Date of Termination occurs. The Company shall make such payment on the Release Payment Date. The Company shall make such payment in equal installments ratably over twelve (12) months following the Date of Termination in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date following the Release Payment Date (as defined in Section 8(f) below); provided, however, that if the Executive's death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to Executive's estate or beneficiaries in a lump sum payment within thirty (30) days following the date of Executive's death.

(v) During the Severance Period the Company shall (or shall cause Academy to) arrange to provide the Executive and his dependents medical insurance benefits contingent on Executive electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") no less favorable to those provided to active senior executives of the Company and their dependents at a price equal to the COBRA rate while eligible for COBRA and thereafter at the cost of coverage (which shall be deemed to be the COBRA cost unless otherwise defined by the U.S. Treasury), and the Company shall pay to Executive each month during the Severance Period an amount equal to the excess, if any, of the monthly premium under the Company's benefit plans under which such medical insurance benefits are provided, as in

effect from time to time, over the amount of Executive's portion of such premiums as if Executive was an active employee, which payment shall be paid in advance on the first payroll day of each month during the such Severance Period, commencing with the month immediately following Executive's date of termination; provided, however, that the first such payment shall be made on the Release Payment Date. Notwithstanding the foregoing, the payments provided under this clause (v) shall cease at such time as the Executive commences to receive such benefits from a subsequent employer of Executive during the Severance Period; provided further that the Executive shall have the obligation to notify the Company that he is receiving such benefits from a subsequent employer.

(vi) The Company shall, pay, or cause Academy to pay, the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive's basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the Release Payment Date. If applicable, the Executive may, at his option, convert his basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion.

(vii) The Company shall pay the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) No Right to Specify Year of Payment. The Executive shall have no right to specify the year in which any payment made under this Section 8 shall be made.

(f) No Duty to Mitigate; Release. The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 8. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Payments to the Executive under this Section 8 (other than Accrued Obligations) are contingent upon the Executive's execution and delivery, without revocation, of a fully effective release in the form of Exhibit A hereto on or prior to the sixtieth (60th) day following the Date of Termination (the "***Release***"); provided, however, that with respect to any payment subject to the foregoing that is (a) paid in installments that would otherwise commence prior to the sixtieth (60th) day following the Date of Termination, the first payment of any such payment shall be made on the sixtieth (60th) day after the Date of Termination (the "***Release Payment Date***"), and will include payment of any amounts that were otherwise due prior thereto, or (b) paid in a lump sum that would otherwise be paid prior to the Release Payment Date, such payment shall be made on the Release Payment Date.

9. Confidential Information; Non-Competition; Non-Solicitation.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company and its Affiliates and their businesses during the Term of this Agreement. The Executive shall hold in a fiduciary capacity for the benefit of the Company and its Affiliates all trade secrets, confidential information, and knowledge or data relating to the Company and its Affiliates and their businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or an Affiliate (hereinafter being collectively referred to as "***Confidential Information***"). For the avoidance of doubt, Confidential Information shall not include information that:

(i) is already in the Executive's possession; provided that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, the Company or any of its Affiliates,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company or any of its Affiliates or any of their respective directors, managers, officers, employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, the Company or any of its Affiliates.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of his duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 9(a). The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his employment hereunder for any reason.

Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that Executive may retain, as Executive's own property, copies of Executive's individual personnel documents, such as payroll and tax records, and similar personal records, Executive's rolodex and Executive's address book.

(b) *Non-Competition.* During the Employment Period and for the period of six (6) months following the Date of Termination, or if applicable, the Severance Period (the "***Restricted Period***"), the Executive shall not, without the prior written consent of the Company, directly or indirectly, for himself or for others, anywhere in the United States, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail

sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company; and Hibbett Sports, Inc. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than 50% of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than $250 million annually.

(c) *Non-Solicitation.* During the Restricted Period, the Executive agrees that he will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to the Company or any Affiliate upon the Date of Termination, or within six (6) months prior thereto; or

(ii) Otherwise knowingly interfere in any material respect with the business of the Company or any Affiliate (other than consumers) or the relationship with any vendor or supplier that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 9(c) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of the Company or any Affiliate.

(d) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 9 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 9 are reasonably necessary for the protection of the Company's and its Affiliates' legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 9 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 9(a), (b) or (c) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

10. Section 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code, such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of his Separation From Service or (ii) the date of his death (such relevant period, the "***Delay Period***"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 10(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company shall pay, or shall cause Academy to pay, the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms "***Separation From Service***" and "***Specified Employee***" shall have the meanings ascribed to those terms in Section 409A, the term "***Section 409A***" means section 409A of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1, 8 and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean separation from service.

(d) Payment Period for Reimbursements, In-Kind Benefits and Tax Gross-Up Payments. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for

reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, however, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the Date of Termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

11. Successors; Binding Agreement.

(a) *Company's Successors.* The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Operating Affiliates to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, (i) "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets of the Company and/or the Operating Affiliates as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise, and (ii) "***Operating Affiliates***" shall mean the Company, Academy or the Affiliates through which the Company, Academy and the Affiliates conduct substantially all of their business.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to him hereunder if he had continued to live or any amount is payable under this Agreement as a result of his death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

(c) Guarantee of Obligations. New Academy Holding Company LLC as the parent entity of Academy Ltd of which the Company is the general partner hereby guarantees all obligations of the Company under this Agreement as set forth in Exhibit B attached hereto.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the

Company; If to the Company:

Academy Managing Co., L.L.C.
1800 North Mason Road
Katy, Texas 77449
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Amendment or Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

14. Dispute Resolution.

(a) The exclusive venue for any action in respect of Section 9 of this Agreement shall be the state and Federal courts located in Harris County, Texas.

(b) Except as provided in Section 14(a) above, any dispute or controversy arising out of or relating to this Agreement, including without limitation, any and all disputes, claims (whether in tort, contract, statutory or otherwise) or disagreements concerning the interpretation or application of the provisions of this Agreement shall be resolved by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall take place in Houston, Texas. The arbitral tribunal ("***Tribunal***") shall be composed of three arbitrators, each of whom shall be independent and impartial. Within fifteen (15) business days of the initiation of an arbitration hereunder, the Company and the Executive will each appoint an arbitrator, and within twenty (20) business days of their appointment, the two appointed arbitrators will appoint a third arbitrator, who shall be the Chair of the Tribunal. If two or more tribunals under these agreements issue consolidation

orders, the order issued first shall prevail. The arbitrators shall strive to issue a reasoned award in writing within sixty (60) days from the date of the close of the arbitration hearing. The decision of the arbitrators will be final and binding on both parties. This arbitration provision is expressly made pursuant to and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16. Judgment on any award(s) rendered by the arbitrators may be entered in any court having jurisdiction thereof.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. Miscellaneous. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 5, 8, 9, 11 and 14 hereof shall survive the expiration of the Term and the termination of this Agreement. The compensation and benefits payable to the Executive or his beneficiary under Section 8 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon his termination of employment under any severance plan, program, policy or arrangement of the Company; provided, however, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Term. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein as of the Effective Date, supersedes all prior agreement (including, without limitation, that certain Further Amended and Restated Change in Control Agreement dated as of April 20, 2011 and executed on May 3, 2011 by and between Academy Managing Co., L.L.C. and the Executive, and the Confidentiality Agreement between the Executive and the Company dated June 7, 2007), promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; provided, that the Confidentiality Agreement shall not be superseded hereby. In addition, this Agreement shall not supersede, or limit in any respect the Executive's rights under, the Unit Option Agreement dated as of August 30, 2011 by and between New Academy Holding Company LLC and Executive, the Management Subscription and Unitholders Agreement dated as of August 30, 2011 by and between New Academy Holding Company, LLC, Allstar Managers LLC and Executive, or any agreements or arrangements incorporated therein or to which they relate.

19. Withholding. The Company or Academy, as applicable, may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company or Academy generally, as applicable.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

[Signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

ACADEMY MANAGING CO., L.L.C.

By: /s/ Rodney Faldyn
Name: Rodney Faldyn
Title: President & CEO

KENNETH D. ATTAWAY

By: /s/ Kenneth D. Attaway

EXHIBIT A

RELEASE

The Executive hereby irrevocably and unconditionally releases, acquits and forever discharges the Company (as defined in the Executive's Second Amended and Restated Employment Agreement to which this Exhibit A (this "***Release***") is attached) and its affiliated companies and their directors, managers, officers, employees and representatives (collectively, "***Releasees***"), from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys' fees) of any nature whatsoever, whether known or unknown, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort, or any legal restrictions on the Company's right to terminate employees, or any federal, state or other governmental statute, regulation. or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended and the Age Discrimination in Employment Act of 1967, as amended, the Texas Commission on Human Rights Act, Chapter 451 of the Texas Labor Code, the Texas Payday Law, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act of 1990, which the Executive claims to have against any of the Releasees (in each case, except as to indemnification provided by (a) the Executive's Amended and Restated Employment Agreement with the Company (as amended or superseded from time to time) and/or (b) by the Company's Regulations and any indemnification agreement or arrangement permitted by the laws of the State of Texas and by officers and other liability insurance coverages to the extent the Executive would have enjoyed such coverages had the Executive remained an officer of the Company). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any state laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the Executive's settlement with the other person.

The exceptions to the foregoing are (i) claims and rights that may arise after the date of execution of this Release, (ii) claims and rights arising or with regard to accrued benefits under any under any employee benefit plan, policy or arrangement maintained by the Company (including, but not limited to the Annual Incentive Plan, but excluding any severance plan, policy or arrangement), (iii) claims and rights arising under Section 8 of the Executive's Second Amended and Restated Employment Agreement, (iv) treatment of Executive's equity awards as provided in the applicable equity plan or award agreement, (v) any existing right to indemnification under applicable corporate law, the Second Amended and Restated Employment Agreement, the by-laws or certificate of incorporation of the Company or its parent entities or Affiliates or any benefit plan of the Company and its Affiliates, or any agreement between Executive and the Company or its parent entities or Affiliates, (vi) any rights of Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of the Company or its parent entities or Affiliates, (vii) any rights or obligations of Executive under applicable law which cannot be waived or released pursuant to an agreement, (viii) Executive's rights to enforce this Release, and (ix) Executive's rights under the provisions of the Second Amended and Restated Employment Agreement that are intended to survive my termination of employment as expressly stated therein.

Executive represents and warrants that he has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, Executive has filed or files such a claim, Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed.

The Executive understands and agrees that:

He has a period of 21 days within which to consider whether he desires to execute this Release, that no one hurried him into executing this Release during that 21- day period, that no one coerced him into executing this Release, and that, if applicable, execution of this Release before the expiration of the 21-day period is voluntary.

He has carefully read and fully understands all of the provisions of this Release, and declares that the Release is written in a manner that he fully understands.

He is, through this Release, releasing the Releasees from any and all claims he may have against the Releasees, and that this Release constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f).

He declares that his agreement to all of the terms set forth in this Release is knowing and is voluntary.

He knowingly and voluntarily intends to be legally bound by the terms of this Release.

He was advised and hereby is advised in writing to consult with an attorney of his choice concerning the legal effect of this Release prior to executing this Release.

He understands that rights or claims that may arise after the date this Release is executed are not waived.

He understands that he is waiving his rights or claims under the Age Discrimination in Employment Act in exchange for consideration to which he is not otherwise entitled.

He understands that, in connection with the release of any claim arising under the Age Discrimination in Employment Act, he has seven days following his execution of this Release to revoke his acceptance of this Release, and that he may deliver notification of revocation by letter or facsimile addressed to the General Counsel of the Company, at 1800 North Mason Road, Katy, TX 77449, or (281) 646-5071. He understands that this Release will not become effective and binding with

respect to any claim arising under the Age Discrimination in Employment Act, until after the expiration of the period during which he may revoke this Release. The revocation period commences when the Executive executes this Release and ends at 11:59 p.m. on the seventh calendar day after execution, not counting the date on which the Executive executes this Release. The Executive understands that if he does not deliver a notice of revocation within the time period described in this paragraph I, this Release will become a final, binding and enforceable release of any claim of age discrimination. This right of revocation shall not affect the release of any claim other than a claim of age discrimination arising under federal law.

He understands that nothing in this Release shall be construed to prohibit the Executive from filing a charge or complaint, including a challenge to the validity of this Release, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission. Further, he understands that nothing in this Release shall be deemed to limit any Releasee's right to seek immediate dismissal of such charge or complaint on the basis that his signing of this Release constitutes a full release of any individual rights under the federal discrimination laws, or to seek restitution to the extent permitted by applicable law of the payments and benefits provided to him under the Agreement in the event he successfully challenges the validity of this Release and prevails in any claim under the federal discrimination laws.

AGREED AND ACCEPTED, on this day of , .

KEN ATTAWAY

EXHIBIT B

GUARANTY

New Academy Holding Company LLC, Delaware limited liability company (the "Guarantor") hereby confirms and ratifies the Second Amended and Restated Employment Agreement, dated as of August 30, 2011 (together with any exhibits and attachments related thereto, the "Employment Agreement"), by and Academy Managing Co., L.L.C., a Texas limited liability company (the "Company"), and Ken Attaway (the "Executive") and agrees to the provisions of Section 11(c) of the Employment Agreement. For value received and to induce Executive to enter into the Employment Agreement, the Guarantor hereby irrevocably guarantees to Executive the prompt performance and payment of all obligations of the Company to Executive under the Employment Agreement. This is a guarantee of performance and payment and not of collection. The obligations of the Guarantor under this guarantee shall not be affected or impaired by reason of the happening from time to time of any of the following with respect to the Employment Agreement: (i) the waiver by Executive or the Company of the performance or observance of any provision of the Employment Agreement; (ii) the modification or amendment (whether material or otherwise) of any of the obligations of the Company or Executive under the Employment Agreement, except that the Guarantor's obligations shall be deemed modified and/or amended to the same extent; (iii) any failure, omission or delay on the part of Executive to enforce, assert or exercise any right conferred on Executive in the Employment Agreement or otherwise; or (iv) any bankruptcy, insolvency or reorganization of, any arrangement or assignment for benefit of creditors, by or any trusteeship with respect to, the Company or any of its assets. The Guarantor agrees that the resolution of dispute procedures and provision in Section 14 of the Employment Agreement shall be binding upon it with regard to any dispute as to this Guarantee, agrees that any determination of any court in any proceeding, or of any arbitrator in any arbitration, in each case, between the Company and Executive shall be binding on the Guarantor, agrees to be subject to the jurisdiction of the state and Federal courts in the State of Texas, agrees not to assert arguments of forum nonconvenience and agrees that service upon it may be made by registered mail, return receipt requested. The Guarantor shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business, assets or stock of Guarantor to expressly assume the guarantee and to fulfill the obligations hereunder as if no succession had taken place.

New Academy Holding Company LLC

By: _____

Name:
Title:

AMENDMENT AGREEMENT

This Amendment Agreement (the "***Amendment***") is made as of August 6, 2012 by Kenneth D. Attaway (the "***Executive***") and Academy Managing Co., L.L.C. (the "***Company***").

WHEREAS, the Company and Executive are parties to the Second Amended and Restated Employment Agreement dated as of August 30, 2011 (as amended or restated, the "***Employment Agreement***"), pursuant to which Executive is entitled to receive a Base Salary amount and pursuant to which it was agreed that the Board would establish Executive's Target Bonus Opportunity as a percentage of Base Salary (all capitalized terms contained herein are as defined in the Employment Agreement); and

WHEREAS, Executive's Base Salary and Target Bonus Opportunity (together, the "***Total Cash Opportunity***") have now been established by the Board for Fiscal 2012; and

WHEREAS, Executive and the Company wish to confirm their agreement with respect to the foregoing by executing this Amendment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and the Executive, intending to legally be bound, agrees as follows:

Section 1. Amendments.

(a) Section 4(a) of the Employment Agreement is hereby amended by replacing the second sentence therein with the following:

"The Base Salary shall be $325,000."

(b) Section 4(b) of the Employment Agreement is hereby amended by replacing the third sentence contained therein with the following:

"For each fiscal year during the Employment Period, the Executive's Annual Bonus will be determined in accordance with the Annual Incentive Plan established for such fiscal year, which will afford the Executive an opportunity to earn a targeted annual bonus amount (the "***Target Bonus Opportunity***") equal to one hundred percent (100%) of Base Salary, based on the achievement of certain pre-established financial and other performance targets for such year (provided the actual Annual Bonus may be higher or lower than the Target Bonus Opportunity based on performance), with any Annual Bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Annual Incentive Plan."

(c) Section 6(d) of the Employment Agreement, which contains the definition of "Good Reason," is hereby amended by replacing clause (ii) thereof with the following:

"(ii) a reduction in the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, from the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, for the Company's 2012 fiscal year, or if greater, from the Executive's Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the date of this Agreement;"

Section 2. Acknowledgment. Executive acknowledges and agrees that Executive hereby waives any right or claim that the establishment of Executive's Total Cash Opportunity for the Company's 2012 fiscal year as described and provided in this Amendment constituted or constitutes an event giving rise to Good Reason under the Employment Agreement or any other agreement referenced therein.

Section 3. Headings. The headings of the sections of this Amendment are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Amendment or the intent of any section.

Section 4. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas, applicable to contracts executed in and to be performed entirely within that State.

Section 5. Entire Agreement. Except as expressly amended hereby, the terms and conditions of the Employment Agreement shall continue in full force and effect.

Section 6. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

EXECUTIVE

By: /s/ Kenneth D. Attaway
Name: Kenneth D. Attaway

COMPANY:

By: /s/ Rodney Faldyn
Name: Rodney Faldyn
Title: President & Chief Executive Officer

Exhibit 21.1

Upon the consummation of this offering, the following entities will become subsidiaries of Academy Sports and Outdoors, Inc.

Entity Name	Jurisdiction of Incorporation or Organization
ACADEMY, LTD	TEXAS
NEW ACADEMY HOLDING COMPANY, LLC	DELAWARE

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated July 10, 2020 relating to the financial statements of New Academy Holding Company, LLC. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

Houston, Texas

September 9, 2020

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated July 10, 2020 relating to the financial statements of Academy Sports and Outdoors, Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

Houston, Texas

September 9, 2020